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59TH ANNUAL REPORT
OF THE
INTERSTATE COMMERCE
COMMISSION



NOVEMBER 1, 1945



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1946

INTERSTATE COMMERCE COMMISSION

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REPORT OF THE INTERSTATE COMMERCE COMMISSION

WASHINGTON, D. C., November 2, 1945.

To the Senate and House of Representatives:

The Interstate Commerce Commission has the honor to submit herewith its fifty-ninth annual report to the Congress. The period covered by this report extends from November 1, 1944, to October 31, 1945, except as otherwise noted.

A statement of appropriations and aggregate expenditures for the fiscal year ended June 30, 1945, is contained in appendix G to this report.

TRANSPORTATION DURING THE WAR AND IN THE POSTWAR PERIOD

In recent annual reports we have reviewed the performance of the Nation's transportation agencies under the difficult conditions of war. While the cessation of hostilities has not brought strictly war demands to an end, it now is possible to appraise the record in its major aspects, to call attention to some lessons to be drawn from this experience, and to consider the conditions and problems which must be faced in the transition to a full peace economy and in the years then immediately ahead.

REVIEW OF CARRIER PERFORMANCE

This review is confined largely to the performance of carriers subject to our jurisdiction.¹

Railroads.—At the outbreak of war in Europe and at times after Pearl Harbor, fears were held in some quarters that the railroads would not be able, with such aid as the Government and shippers could give, to cope with the oncoming burden of war-weighted traffic. These fears were not wholly without foundation. The record shows, however, that substantially all military and essential civilian needs were met, though not without extreme effort and some tight conditions, a large measure of cooperative aid, and some inconvenience to essential civilian users.

¹ Tables on which this discussion is based are in appendix F.

There was a marked shrinkage in rail equipment before the war. The decline in number of freight cars from 1929, a peak traffic year, to 1941, was 22.8 percent; in passenger-train cars other than pullman it was 28.8 percent. In terms of tons of capacity, the decline was less. Nevertheless, the railroads entered the year 1942 with about 17 percent less freight-car and locomotive capacity and about 29 percent less passenger-car capacity than in 1929. The miles of road on which this equipment was operated in 1941 were 7.0 percent below what they had been in 1929; all-track miles declined slightly less. Gross investment in all facilities increased 6.2 percent per mile owned (excluding switching and terminal companies). The average number of employees in 1941 was 31.0 percent below the 1929 average.

The increase of 6.1 percent from 1929 to 1941 in service rendered the public, measured by ton-miles, was accomplished in part by a 6.1-percent increase in average loading per car, by a 36.2-percent increase in ton-miles per car, and by a 13.8-percent increase in average load per train. Ton-miles per mile of road advanced 10.4 percent.

Nearly two-fifths fewer passengers were carried in 1941 than in 1929 and passenger-miles were 5.6 percent lower. More effective utilization of equipment and track facilities is shown by the increases in this period of 15.4 percent in average number of passengers per car, of 13.7 percent in average number of passengers per train, and of 27.7 percent in passenger-miles per mile of road used in passenger service.

A net addition of 53,495 freight cars brought the total number in 1944 to about 2.7 percent above the number in 1941; a slight decline occurred in the first 6 months of 1945. Car capacity increased 4.4 percent in the 3 years and increased slightly thereafter. Passenger-train cars increased slightly in number through June 30, 1945; their aggregate capacity at the end of 1944 was 2.8 percent higher than it had been in 1941. Emphasis was given to the production of locomotives, which increased 4.3 percent in number from 1941 to 1944 and about 7.8 percent in aggregate tractive effort. With these very moderate additions to capacity and an increase of 23.9 percent in number of employees, the railroads in 1944 performed 55.1 percent more freight service (ton-miles) than they did in 1941 and 225.3 percent more passenger service (passenger-miles). This remarkable increase in intensity of utilization of freight facilities is reflected in an average increase of 14.7 percent in tons per car, a 48.6-percent increase in ton-miles per car, a 24.4-percent increase in tons per train, and a 57.6-percent increase in ton-miles per mile of road. Passengers per car increased 113.3 percent, and per train, 174.0 percent; passenger miles per mile of road used in passenger service advanced 237.0 percent.

Nothing approaching the high average utilization of plant set out above has been experienced in railroad history. The result speaks

well for advance planning by the railroads and others, for the sustained efforts and ingenuity of management and employees, for extensive and well-organized shipper cooperation, and for the efforts of Government agencies, including ourselves, to aid the carriers and their organizations in conserving facilities and maintaining a high degree of fluidity in the use of equipment. The traveling public turned to the railroads as never before. Its acceptance of crowded trains and other inconveniences also is to be commended.

The return of troops to civilian life and the movement of certain classes of freight traffic, such as coal, present difficult operating problems at this time and will continue to do so for the months ahead.

Motor carriers of property.—According to an approximate estimate, eliminating the effects of increases in the number of class I intercity carriers reporting to us, the percentage increase over 1940 in tons transported by these motor carriers was as follows: 1941, 25.2; 1942, 34.5; 1943, 49.3; 1944, 49.6; tons carried in the first quarter of 1945 were slightly higher than in the first quarter of 1944.² For common carriers the increase from 1940 to 1944 was 59.5 percent; contract carriers handled 19.3 percent more traffic in 1941 than in 1940 but only 9.4 percent more in 1943 and 1944. The average length of haul per ton per carrier declined 3.4 and 6.1 percent for the two groups of carriers, 1941 to 1944.

The vital contributions of all for-hire carriers of property to the war effort were made in the face of shortages of new vehicles, parts, tires, and manpower. Under the joint-action plans fostered by the Office of Defense Transportation and other conservation activities of that agency and with the cooperation of State officers and agencies, shippers, and localities, and with the assistance we gave through our field staff, by our grants of temporary operating authorities, and otherwise, but principally by their own efforts, the motor carriers held up their end of the war-imposed task. The flexibility of motor transportation was an outstanding attribute. As in the case of the railroads, there necessarily was some lowering of service standards.

In keeping with the general conditions mentioned above, the average load per vehicle of class I intercity carriers increased 30.4 percent from 1941 to 1944 in the case of common carriers, and 24.7 percent in the case of contract carriers. The latter were transporting heavier loads in 1941.³ Miles operated per vehicle declined 14.5 percent in the case of common carriers and increased in the case of contract carriers. The decline was closely tied in with the conservation efforts mentioned, including the imposition of a maximum speed

² Comparison may be made with the increase of 46.4 percent in rail tons originated, 1940 to 1944. Motor tonnage includes traffic interchanged by two or more reporting carriers, but the percentage of interchange traffic declined during the war. Rail ton-miles increased 97.3 percent, 1940 to 1944.

³ Based on the reports of 214 common and 19 contract carriers which furnished ton-mile data throughout the period.

limit. As a net result of heavier loads and fewer miles per vehicle, the output of ton-miles per owned and leased common-carrier vehicle increased 11.4 percent, 1944 compared with 1941.

The data recited do not cover the performance of the smaller carriers subject to our jurisdiction, or of other for-hire carriers. They also do not bring out the important contributions made by private carriers. The use of private-carrier vehicles by for-hire carriers in the war emergency contributed to easing the shortages that existed. However, some of the increase in for-hire tonnage represented a transfer of traffic which previously had moved in shippers' vehicles.

Motor carriers of passengers.—These carriers experienced many of the difficulties in securing equipment, parts, and operating personnel referred to above, though generally in lesser degree than motor carriers of property. The percentage increase over 1940 in passenger revenue of class I intercity carriers, calculated in a manner which eliminates the effect of changes in the number of carriers which reported to us, was as follows: 1941, 31; 1942, 127; 1943, 208; 1944, 225; with a slight rise in the first quarter of 1945 compared with the first quarter of 1944. The percentage increase over 1940 in intercity passengers carried was: 1941, 33; 1942, 134; 1943, 244; 1944, 262; and again with a slight rise in the first quarter of 1945. The greater mileage operated per bus and an average increase, 1941 to 1944, of 46.5 percent in the loading per bus produced a materially greater output of passenger-miles per vehicle.⁴ The bus industry responded with a high degree of success to the varied and essential demands which the war placed upon it.

Water carriers.—The vessels of all intercoastal, most coastwise, and some Great Lakes carriers subject to our jurisdiction were requisitioned for war service. In this service they made a most important contribution. On the basis of year-to-year comparisons of identical companies, the larger Great Lakes carriers reported less freight business in 1942 and 1943 than in 1941, but recovered to substantially the 1941 level in 1944. Passenger business was greater throughout. The corresponding group of carriers on the Mississippi River and its tributaries showed little net gain in tons carried in 1942 and 1943, but experienced a marked increase in 1944.

Carriers of bulk commodities, not subject to our jurisdiction, set new records in the handling of iron ore and other traffic on the Great Lakes and constituted a most vital link in war transportation. The large increase in the transportation of petroleum oils up the Mississippi River system, particularly in connection with rail and pipe-line deliveries to the eastern seaboard, was also of the utmost importance. A substantial increase in the transportation of coal also occurred on these waters.

⁴ Based on the reports of 48 carriers which furnished passenger data throughout the period.

Total ton-miles on the Great Lakes and the Mississippi River system increased in percent as follows over the total for 1940: 1941, 19.0; 1942, 25.8; 1943, 20.0; and 1944 (preliminary) 17.9 percent.

Pipe lines.—From 1941 through 1944, approximately 14,000 miles of war-emergency trunk lines were constructed, converted, or reversed as to direction of flow at a cost estimated in a staff report at more than \$275,000,000. In addition, about 3,800 miles of other lines were built, chiefly in 1941, and other expenditures were made in effecting a considerable expansion of the capacity of existing lines. These expenditures, made in the provision of six Government-owned lines, notably the "Big Inch" and "Little Big Inch," and by the oil industry were necessitated chiefly by the diversion of tankers which normally supply service to the East Coast, and by the need for shortening overseas tanker hauls. The railroads filled in with conspicuous success until the two large-diameter lines were ready and continued heavy deliveries for a considerable time thereafter; barge transportation also aided in this situation. These various additions resulted in a very considerable increase in pipe-line transportation.

Air transportation.—The important contribution which the domestic airlines made during the war with limited flying equipment need not be discussed in detail here.

Rates.—As noted hereinafter, the *Ex Parte No. 148* increases in rail freight rates remain under suspension. The huge volume of traffic handled during the war has enabled the railroads, despite large increases in costs, to operate under rates which yielded an average revenue per ton-mile only 1.4 percent higher in 1944 than in 1941, with a small further rise in the first half of 1945. The average for 1941 was, however, 13.2 percent below that for 1929. Shifts to higher classes of traffic explain the slight increase since 1941. The increase of 10 percent in standard passenger fares which we permitted to become effective on February 10, 1942, continues. Average revenue per passenger-mile, all traffic included, was 6.9 percent higher in 1944 than in 1941, with a moderate further rise in the first 6 months of 1945.

Faced with increased costs, common carriers of property by motor vehicle were allowed to advance their rates by 6 percent following the rail increase in 1942; in some sections, they have been permitted further increases to a point 10 percent and in some cases more than 10 percent above prewar levels. Data previously referred to show that the average revenue per ton-mile of class I intercity common carriers increased by 2.4 percent from 1941 to 1943 and by 7.6 percent from 1941 to 1944. A number of divergent influences were at work. The increases in basic rates, the slight decline in the length of the average haul per carrier, the greater use of "rate stops," shifts from commodity to class ratings, and fewer applications of rate reductions

to equalize land-grant rate reductions made by the rail lines, all served to advance the average; on the other hand, not all carriers took advantage of the increases authorized, particularly after the suspension of the rail increases, and there were shifts to truckload and lower rated traffic. Contract carriers also had to contend with rising costs. The average charges of class I contract carriers were about 6 percent higher in 1943 than in 1941 and 1.8 percent higher in 1944 than in 1941. Some of this increase is attributable to the shortening of the average haul, and to that extent is only nominal. Average revenue per passenger-mile of class I motor carriers of passengers was 8.1 percent higher in 1944 than in 1941. This increase is assignable in major part to the advance in bus fares after rail fares were increased in 1942.

Some reductions occurred during the war period in the rates of pipeline companies subject to our jurisdiction. Aside from through water-rail traffic, on which the rates have varied with changes in rail rates, and some revisions in all-water rates on special commodities, changes in water-carrier rates have been of little significance in this period.

In both performance and cost of service to the public, the contrast between transportation conditions in this war and World War I are striking in a high degree. Greater varieties of transportation service were available, and each made a vital contribution.

Some lessons of the war experience.—The experience with domestic transportation during the war will be studied by the carriers themselves, by shippers, by the military establishments, and by others for many years to come. Certain observations now seem justified.

First: Despite the much greater traffic load put on transportation in this war than in World War I, the carriers bore the burden and without substantial Government operation of their properties. This accomplishment required great effort, however, on the part of all forms of transportation, including forms which were in their infancy in the first World War. This could not have been done without extensive shipper, carrier, employee, and Government cooperation, and without resort to the service and other orders issued by the Office of Defense Transportation, and by ourselves. That shipper and carrier cooperation, with Government orders directed to specific urgent situations, was able to accomplish so much suggests possibilities of securing better and more economical service in peacetime.

Second: All forms of transportation are needed in the defense of the Nation and in the waging of war. None has a prior claim in this respect, though, in terms of size alone, the railroads made the greatest contribution, and, aside from air and pipe-line transportation, experienced the largest increase in traffic. Private transportation of persons or commodities was found to be less essential than transport for-hire

and much of it ceased. Domestic transportation on the open seas was vulnerable to enemy attack, but contributed vessels whose services were of the utmost importance in prosecuting the war.

Third: Under pressure of war conditions, some transportation tasks came to be assigned to certain carriers and some to others. We here only call attention to the facts and express no opinion as to their possible peacetime significance.

Finally: The wartime conduct of transportation required continuing and alert functioning of the basic regulatory process, in conjunction with controls by other agencies of general prices and of the charges of carriers over which we have only minimum rate powers. Regulation, as well as the agencies of transport, has stood the test of war.

Problems of carriers in postwar period.—The foregoing recital of developments during the war furnishes some of the background needed for an analysis of the problems which face carriers, shippers, and others in the period of adjustment that already has begun. We have made some reference to these problems in earlier reports. Our research staff, expanded in part to focus on these matters, has prepared and we have released reports intended to aid in the consideration of these problems.

Carriers of all types are aware that difficulties lie ahead. The situation abounds in uncertainties, not the least of which are as to the level of activity which business will maintain, the future of labor costs and taxes, and the effects of public expenditures on transportation facilities. Moreover, improvements in the instrumentalities of transportation mean new and heightened competition. The keynote of the postwar years will prove to be this quickening and extension of competition within and among the several forms of transportation and with private carriers. This competition has become identified in the public mind with the inroads which the commercial airlines are planning, and in part already are making, in the travel market, and in handling light freight. Competition between rail, motor-carrier, water, and pipe-line transportation, however, will undoubtedly increase in intensity. These various conditions emphasize the responsibility on us in seeing, so far as our powers permit, that the public interest is promoted and advanced along forward-looking lines and in the light of the national transportation policy declared by Congress in 1940.

A partial diagnosis of conditions and problems which the several agencies of transportation face as they approach the postwar years may prove helpful.

Railroads.—The railroads appear to be bringing over from the war period more factors that are favorable and fewer that are unfavorable than most of the other types of transportation agencies. Without attempting to list the favorable factors in order of importance,

mention may be made, first, of the relatively small addition during the war to the investment in rail facilities. This situation has come about in several ways: Large investments were made in track and other fixed facilities before the war, particularly in the twenties; it was the railroads' prewar policy to effect a more intensive utilization of a diminishing supply of equipment; war restrictions on the manufacture of equipment and other facilities held down purchases, particularly in the early years of the war; and opportunity was afforded by the revenue laws to amortize "emergency facilities" over a 5-year period. The railroads thus are able to take greater advantage than otherwise of recent technological advances in the facilities they buy or build.

In the second place, railroad properties are in a generally sound physical condition. The deferred maintenance in class I line-haul railways, other than that in facilities headed for immediate retirement, has been estimated by our Bureau of Valuation as amounting to \$350,000,000 at the close of 1945. While this estimate is not an official one, it is of interest to note that the amount stated is principally for rail, ties, track material, and ballast and is equivalent to only 5.7 percent of the total maintenance expense (excluding depreciation and amortization) in the years 1942-45, during which years most of this deferred maintenance was accumulated.

Third, though increased costs and high taxes lowered net railway operating income considerably from the peak it reached in 1942, the railroads on VJ-day were in a far better financial condition than they were in when they entered the war. Not to be overlooked in this connection is the substantial reduction of fixed interest charges, pointed out on page 19 herein.

Fourth, the railroads stand to gain from their trials and experiences during the war. Hard-won knowledge of more effective or more economical operating practices can be put to immediate use in many instances in the postwar period. Other operating advantages achieved, particularly such as were the result of shipper and carrier cooperation, will be more difficult to perpetuate, although the railroads have taken steps to exploit certain practices which were of critical importance during the war.

Fifth, the demands of war and the imminence of competitive conditions following the war accelerated improvement in the facilities railroads use, which are progressively becoming available. The railroads have large-scale plans for ridding themselves of obsolete and wornout equipment and other facilities, and for making major improvements, to secure lower costs or improve service. New or advanced types of facilities figure prominently in these plans.

On the less favorable side are higher present and possibly prospective wage scales and prices than prevailed before the war, a heavy

tax load, and the keen and pervasive competition which other forms of transportation agencies will offer.

Motor carriers of property.—Favorable factors in the outlook for motor carriers of property include the experience with operating practices gained during the war, technological improvements in vehicles and fuel that will become available in the not distant future, more liberal size and weight limits in several States, lower interest rates on equipment notes and other obligations, and better highway and street facilities to be provided through large Federal, State, and local expenditures. Replacement in the near future of aged or prematurely wornout equipment affords an opportunity to raise operating efficiency but at costs of vehicles that are higher than prewar prices of vehicles. It may be necessary for the motor carriers to concentrate several years' normal buying into a fairly brief period. The expenditures of this kind by all for-hire motor carriers of property in these first 3 postwar years are likely to be about \$800,000,000. There is no evidence that most carriers will not be able to finance necessary equipment purchases, though some have suffered depletion of their prewar assets. Common carriers in several parts of the country consider that they are in a difficult competitive position by reason of the 6 to 10 percent or greater spread between the rates they generally are charging and the corresponding rail rates. With higher labor and other costs than before the war, they feel that this situation is an important handicap. Many common and contract carriers are having difficulty in adjusting to the loss of the business of war plants; their efforts to secure other business may have ramifying effects. Many carriers doubtless will apply for conversion of temporary into permanent operating authorities, and a considerable number face the problem of restoring services that were suspended during the war.

Motor carriers of passengers.—These carriers may be said to have the same favorable factors as were noted above in the case of property carriers. They face the fact, however, that relatively more of their present equipment was acquired during the war and that some of this equipment is partially obsolete for use in postwar operations. Postwar equipment needs may involve the expenditure of \$540,000,000 by all for-hire motor carriers of passengers except operators of school busses and taxicabs. The general level of intercity bus fares has been referred to above. Some passenger carriers which enjoyed large and profitable war traffic, for which they acquired substantial numbers of vehicles, may find it difficult to adjust themselves to the probable loss of a substantial part of this traffic.

Water carriers.—Water carriers which temporarily ceased operating in their own right during the war were able, in most instances, to make substantial earnings through charter of their vessels or as operating

agents for the War Shipping Administration. Some have divested themselves permanently of the obsolete and inefficient equipment they were using before the war. Most carriers operating on the inland waterways have improved on or at least maintained their prewar financial position. The war period may not have yielded as rich operating experience as it has in other fields of domestic transportation, but there have been gains in this respect and marked technological improvements have come out of the war. Faster vessels are available or are being built to order and new types of vessels are being given careful consideration. However, the new equipment will cost considerably more per ton than that which it supersedes. Also, water carriers which temporarily ceased operating in their own right have not only the task of restoring physical operations but also of reestablishing contacts with shippers and of regaining the traffic carried by other agencies during the war. Reference is made elsewhere to the revival of coastwise and intercoastal operations under the auspices of the War Shipping Administration and to the study of problems of water carriers being made by our staff.

Pipe lines.—The expansion of privately owned, refined-products pipe lines during the war has provided facilities which enable further penetration of markets previously served by other forms of transportation. There also have been expansions of crude oil lines, made in accordance with the long-term programs of the oil companies. Costs involved in restoring the prewar direction of flow in certain private lines and in conversion of lines to traffic other than that handled during the war may be borne partly by the Government. Major problems in petroleum pipe-line transportation involve the two large-diameter Government-owned lines. What the ultimate disposition of these lines will be had not been determined at the time of preparation of this report. All agencies of transportation except air are involved in one way or another in the determination reached.

Discussion of the problems peculiar to each form of transportation tends to give too little emphasis to the problems which cut across two or more kinds of transportation. There are not only competitive relations to consider but also questions as to the control and use of one form by another. We are giving continuing attention to these matters as specific issues arise in rate and application cases and in other ways.

The transition to a peacetime economy in all likelihood will have a marked effect on the volume and character of our regulatory work. Our present situation seems comparable with that of the period which immediately followed World War I, although the problems of the next few years will necessarily differ in nature from those of the early nineteen-twenties, when an important expansion in our activities occurred.

At this time it is too soon to foresee those problems in clear detail. It should be remembered, however, that in the past 5 years two new

parts were added to the Interstate Commerce Act at a time when the transportation agencies principally affected by those parts were subject to war conditions, which have tended to obscure and postpone regulatory questions which would normally arise from legislation such as that embodied in parts III and IV.

We are considering necessary adjustments in our internal organization to enable us to meet the problems which will arise in the transitional period upon which we are entering. In order to conserve manpower during the war our work was largely confined to the exercise of those functions related to the conduct of the war and others for which there was an imperative need. We now have about 800 fewer employees than we had 4 years ago, a reduction of nearly 30 percent, and our present personnel is therefore far short of what we shall require in the near future.

More than 500 of our former employees have served in the armed forces. Some of them have already returned to our service, and many others presumably expect to do so later. A number of these employees have been engaged in the administration of military transportation in this country, as well as abroad, and have thus gained valuable experience. We take pride in the creditable manner in which they have contributed to military success by utilizing their specialized training acquired as members of our staff.

Credit is also due those who left our ranks temporarily to man the civilian war agencies of the Government. The successful functioning of the Office of Defense Transportation, we believe, has been aided materially by the fact that its directors were chosen from members of this Commission with wide experience in the field of transportation. Another of our Commissioners served for some time as an assistant director of that Office, the staff of which has included many of our employees.

The curtailment of our activities during the war has enabled us to respond to many other requests from other Government departments for assistance of a temporary nature. A notable example of such instances was a mission undertaken by the senior member of the Commission in accepting an invitation extended through the Department of State by the associations of commerce of Rio de Janeiro and Sao Paulo to deliver five addresses before those bodies on the subject of transportation and its regulation in the United States with particular bearing on current Brazilian transportation problems.

TRAFFIC AND EARNINGS OF TRANSPORT AGENCIES

Although the war with Germany ended several weeks prior to the close of the fiscal year ending June 30, 1945, the operating revenues of the principal agencies of transport subject to the Commission's jurisdiction for that year were higher than in the calendar year ending

December 31, 1944, with the exception of water lines. In all cases, however, these increases were small, amounting for all carriers combined to a little over \$150,000,000. As compared with the calendar year 1943, the 1945 fiscal year increases were more substantial, the carrier revenues of \$12,863,548,000 for the fiscal year 1945 being something over three-quarters of a billion or 6.4 percent higher than in the earlier year. The revenues by agencies of transport on which the foregoing statements are based are given below. For private carlines filing quarterly reports, operating revenues aggregating \$154,174,047 in the fiscal year 1945 and for the freight forwarders filing such reports \$38,993,035.

Operating revenues ¹

Class of carrier	12 months ended June 30, 1945		Year ended Dec. 31, 1944		Year ended Dec. 31, 1943
	Amount	Percent of calendar year 1943	Amount	Percent of calendar year 1943	Amount
	<i>Thousands</i>		<i>Thousands</i>		<i>Thousands</i>
Steam railways ²	\$9,741,196	104.9	\$9,675,560	104.2	\$9,288,264
Railway Express Agency ³	273,237	131.7	254,734	122.7	207,545
Pullman Co.	151,610	121.4	146,555	117.3	124,911
Electric railways.....	101,029	101.6	99,910	100.5	99,411
Water lines.....	187,993	95.7	188,370	95.9	⁴ 196,441
Pipe lines (oil).....	316,708	114.5	310,194	112.1	276,652
Motor carriers of passengers.....	576,485	106.0	574,990	105.7	⁴ 543,983
Motor carriers of property.....	1,515,290	112.5	1,462,635	108.6	⁴ 1,347,221
Grand total.....	12,863,548	106.4	12,712,948	105.2	12,084,428

¹ Partly estimated for small carriers.

² Includes switching and terminal companies.

³ After deduction of payments to others for express privileges.

⁴ Figures restated on the basis of more complete data.

War traffic continued its upward trend in 1944 as indicated by the ton-mile and passenger-mile statistics shown in the following table which covers all types of intercity transportation. Ton-miles of oil pipe lines increased by more than 37 percent and air passenger-miles by 38 percent, but the changes in both intercity ton-miles and passenger-miles of other carriers between 1943 and 1944 were much smaller. With a qualification for ton-miles on the inland waterways, including the Great Lakes, all types of intercity carriers showed increases in both ton-miles and passenger-miles. The ton-mile increase for all types of intercity carriers shown in the following table was 4.49 percent and in passenger-miles, 5.37 percent.

In terms of the ratio of ton-miles produced by each type of carrier in 1944 to the total for all carriers, oil pipe lines gained rather sharply as compared with 1943. Other carriers, except air, lost relatively although to a minor extent. The ratio for private automobile passenger-miles declined somewhat in 1944 as compared with 1943. All other passenger carriers gained relatively. Although the per-

centage increase in air passenger-miles in 1944 over 1943 was large, the volume of air passenger-miles was so small that the relative standing of the other carriers was practically unaffected thereby.

Volume of intercity traffic, public and private, by kinds of transportation

Agency	Ton-miles				Passenger-miles			
	1943	1944	Percent of grand total		1943 ¹	1944	Percent of grand total	
			1943	1944			1943	1944
1. Railways, steam and electric, including express and mail.....	Millions 734, 715	Millions 745, 854	71. 97	69. 92	Millions 89, 865	Millions 97, 704	33. 53	34. 60
2. Highways:								
Motor carriers of passengers.....					27, 416	28, 979	10. 23	10. 26
Private automobiles.....					147, 131	151, 251	54. 91	53. 56
Motor carriers of property.....	48, 199	49, 308	4. 72	4. 62				
Total.....	48, 199	49, 308	4. 72	4. 62	174, 547	180, 230	65. 14	63. 82
3. Inland waterways, including Great Lakes.....	141, 652	139, 150	13. 87	13. 04	1, 927	2, 187	. 72	. 78
4. Pipe lines (oil).....	96, 257	132, 336	9. 43	12. 41				
5. Airways (domestic revenue service) including express and mail.....	52	69	. 01	. 01	1, 632	2, 253	. 61	. 80
Grand total.....	1,020,875	1,066,717	100. 00	100. 00	267, 971	282, 374	100. 00	100. 00

¹ Some of the 1943 figures as given in the 58th annual report have been revised.

SOURCES:

1. Interstate Commerce Commission reports: Electric railway ton-miles and passenger-miles estimated on the basis of revenues. Mail ton-miles are for fiscal years ended June 30.

2. Highway ton-miles for 1944 estimated on the basis of the rate of change in total ton-miles estimated by Public Roads Administration, excludes "rural to rural" traffic. Bus passenger-miles estimated for small carriers on the basis of passenger revenue. Passenger-miles of private automobiles in 1944 estimated on the basis of the rate of change in total automobile passenger-miles estimated by National Safety Council.

3. Waterway ton-miles (Great Lakes and Mississippi River system), Office of Chief of Engineers, U. S. Army. Water passenger-miles in 1944 estimated on the basis of the rate of change from 1943 in the number of passengers.

4. Includes an estimate for nonreporting pipe lines including "Big Inch" and "Little Inch." Includes refined as well as crude oil with allowance for crude oil gathering lines.

5. Civil Aeronautics Board.

Various statistical measurements of railway performance are shown in the table below. In these terms the railways of the United States in 1944 improved their previous high record established in 1943, except that the ton-miles of revenue freight produced per car-mile (the average load) declined 2.36 percent. In general, however, the improvement in passenger-train performance was somewhat greater than in the case of freight. For the first 6 months of 1945 the figures of the class I railways indicate that the performance records of the calendar year 1944 are unlikely to be attained in the calendar year 1945. With the exception of trainload and length of haul in freight service, all the yardsticks of performance for the first 6 months of 1945 show decreases under the corresponding period in 1944. In the first 6 months of 1944 all these measurements of performance, with one exception (the average load per freight car), showed increases over the corresponding period of 1943.

Railway performance changes

	All railways		Class I line-haul railways first half of 1945	
	1944	Percent 1944 over (+) or under (-) 1943	1945	Percent 1945 over (+) or under (-) 1944
Tons of revenue freight originated (thousands).....	1,564,780	+0.53	(1)	-----
Revenue ton-miles (thousands).....	740,586,092	+1.43	364,927,555	-1.00
Ton-miles of revenue freight per car-mile ²	30.62	-2.36	30.35	-1.56
Ton-miles of revenue freight per train-mile.....	1,045.67	+1.75	1,077	+1.80
Average length of haul revenue freight.....	³ 473.28	+0.90	⁴ 247.0	+0.53
Revenue ton-miles per mile of road.....	3,084,195	+1.71	1,603,549	-0.94
Number of revenue passengers (thousands).....	915,817	+3.17	438,934	-0.77
Total passenger-miles (thousands).....	95,662,501	+8.80	43,302,507	-7.94
Average journey per passenger (per road).....	104.46	+5.46	98.7	-7.15
Average revenue passenger-miles per train-mile.....	200	+6.38	185.4	-6.83
Average revenue passenger-miles per car-mile (class I).....	32	+3.23	30.5	-5.57
Revenue passenger-miles per mile of road (class I) ⁵	589,530	+9.09	267,812	-7.68

¹ Not available.

² This average is obtained by dividing the revenue ton-miles by the total loaded car-miles, the latter figure including some cars loaded with nonrevenue freight.

³ All railways as a system.

⁴ Average haul per road.

⁵ Based on mileage operated in passenger service only.

Despite the somewhat unfavorable implications of these figures for the calendar year 1945, operating revenues of the class I line-haul roads for the fiscal year ended June 30 were \$9,501,000,000 or about \$64,000,000 in excess of the 1944 calendar-year revenues. As shown in the statement below, however, the operating expense increase between these 2 years was \$118,000,000, or nearly twice that in operating revenues, with the result that the net railway operating income fell off in the fiscal year ended June 30, 1945, as compared with the calendar year 1944. In some part the increase in operating expenses in that fiscal year reflects an increase of \$29,000,000, charges to operating expenses representing the amortization of defense projects. The total of these amortization charges in the fiscal year ended June 30, 1945, aggregated \$220,000,000. Under the tax laws all or certain percentages of the expenditures for defense projects may be amortized or written off over a 5-year period. Since the overwhelming proportion of the property represented by these projects has a life which is much longer than 5 years, it is apparent that the operating expenses during the amortization period are increased by the difference between the amount of the amortization charged and the amount that would have been charged on account of depreciation had there been no amortization. Vice versa, the amortization of these projects over a 5-year period will subsequently reduce the operating expenses because no depreciation will be chargeable on that portion of the property representing defense projects already amortized.

Class I line-haul railways

Item	12 months ended with June 1945	Year ending December 31—			
		1944	1943	1942	1941
	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>
Railway operating revenues	\$9, 501	\$9, 437	\$9, 055	\$7, 466	\$5, 347
Railway operating expenses	6, 400	6, 282	5, 657	4, 601	3, 664
Operating ratio	67.36	66.57	62.48	61.63	68.53
Railway tax accruals	\$1, 813	\$1, 846	\$1, 849	\$1, 199	\$547
Net railway operating income	1, 090	1, 106	1, 360	1, 485	998
Fixed interest on funded debt	1 387	395	422	2 461	452
Net income	671	667	873	902	500
Federal income and excess profits taxes	1, 263	1, 304	1, 335	756	174
Net railway operating income before provision for Federal income and excess profits taxes	2, 352	2, 410	2, 695	2, 241	1, 172
Net income before provision for Federal income and excess profits taxes	1, 933	1, 971	2, 208	1, 658	674
Amortization of defense projects—Road and equip- ment (charged to operating expenses)	220	191	146	92	-----

¹ Partly estimated.² Included \$25 millions interest on overdue installments of interest on certain mortgage bonds and other obligations of the Seaboard Air Line Railway from dates when interest was first defaulted.

Although, as already stated, the fiscal year 1945 showed some decrease in net railway operating income under the calendar year 1944 owing to the greater increase in expenses than in revenues, the class I roads were still able to show about \$4,000,000 more net income in the later than in the earlier year. In part this may be attributed to the decrease in Federal income and excess-profits taxes which appreciably reduced the total railway tax accruals in the 1945 fiscal year.

The earning power of rail properties is reflected in the net railway operating income figure and the earning power of the stockholders' investment in rail properties and other corporate assets in the net income results. Because of the substantial influence exercised on both these figures by the high Federal income and excess-profits taxes, net railway operating income and net income are shown in the table above not only as they are required to be reported, which is after the deduction of these Federal taxes, but also with these taxes added back.

In the fiscal year 1945 the class I line-haul railways collected revenues and other income amounting to \$9,717 million. This figure exceeded by approximately \$70,000,000 the corresponding collections in the calendar year 1944. Of this \$9,717 million of revenues and other income, \$4,723,000,000 was absorbed in costs of materials, depreciation, taxes, and operating rents, leaving a balance of \$4,994,000,000 available for wages, salaries, and investors in railway properties. Of this remainder, \$3,688,000,000 or 73.8 percent was consumed by wages and salaries, leaving \$1,306,000,000 or 26.2 percent for fixed charges and other deductions, dividends, and for reserves and surplus. As compared with the preceding fiscal year, the total amount of revenues absorbed by wages and salaries increased about \$163,000,000 and the investors' share declined by about \$100,000,000. Or in percentage terms, the wages and salaries proportion of the remainder of the revenues available for wages and salaries and for investors increased from 71.5 percent to 73.8 percent, and the share of

the investors fell from 28.5 percent to 26.2 percent. The amounts attributable to wages and salaries in these figures do not include the amount of pay-roll taxes which are included in the tax figures shown below, although such taxes logically are an addition to wages and salaries. In the fiscal year 1945 the amount of these pay-roll deductions included in taxes aggregated \$232,202,955.

Condensed income account, class I line-haul railways

Account	12 months period ended June 30, 1945	Calendar year			
		1944	1943	1942	1941
	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>
Revenues and other income.....	\$9, 717	\$9, 648	\$9, 256	\$7, 648	\$5, 524
Cost of materials, depreciation, and other expenses except wages and salaries.....	2, 910	2, 833	2, 505	2, 015	1, 603
Taxes, including income and profits taxes.....	1, 813	1, 846	1, 849	1, 199	547
Total deductions.....	4, 723	4, 679	4, 354	3, 214	2, 150
Remainder available for employees and investors.....	4, 994	4, 969	4, 902	4, 434	3, 374
Wages and salaries chargeable to operating ex- penses.....	3, 688	3, 651	3, 340	2, 767	2, 198
Investors' share:					
Fixed charges and other deductions before net income.....	635	651	689	765	676
Dividends.....	261	246	217	202	186
For reserves and surplus.....	410	421	656	700	314
Total.....	1, 306	1, 318	1, 562	1, 667	1, 176
Percent, wages and salaries.....	73. 8	73. 5	68. 1	62. 4	65. 2
Percent, investors' share.....	26. 2	26. 5	31. 9	37. 6	34. 8

The various operating averages for the 7 months ended with July 1945 indicated relatively little change from high records attained in the same period of the two preceding years except in the percentages of cars and locomotives unserviceable. Every class of equipment in the 1945 period recorded a second consecutive increase in the percentage of unserviceable units over the corresponding period in the preceding year. These increases since 1943 may be taken to reflect the war conditions under which the equipment has been operated, including the extraordinary intensity of utilization of both old and new equipment, difficulties in procuring both repair materials and new equipment, return to service of some equipment scheduled to be demolished, and resort to urgently necessary repairs of a temporary nature.

Operating averages, class I steam railways

Average	7 months, January-July				
	1945	1944	1943	1942	1941
Freight net ton-miles per loaded car-mile.....	32. 3	32. 9	33. 5	31. 0	27. 8
Freight car-miles per train-mile.....	52. 8	52. 9	51. 5	51. 5	50. 1
Passenger miles per car-mile.....	30. 5	32. 6	30. 5	21. 0	15. 4
Passenger car-miles per train-mile.....	9. 70	9. 62	9. 22	8. 24	7. 74
Train-miles per train-hour:					
Freight train.....	15. 7	15. 7	15. 4	16. 1	16. 7
Passenger train.....	34. 6	34. 8	34. 7	36. 1	36. 1
Percent unserviceable:					
Freight cars.....	3. 1	2. 5	2. 4	3. 1	5. 3
Locomotives:					
Yard switching.....	9. 1	7. 9	7. 6	9. 3	13. 6
Road freight.....	13. 1	12. 3	11. 7	13. 9	21. 6
Road passenger.....	13. 7	13. 0	11. 9	15. 0	20. 8

¹ Six-months average.

With the war in both Europe and the Pacific at an end, some indication of how the railways fared financially during the war years may be had from a comparison of the situation as of July 31, 1945, with that as of December 31, 1941.

Net current assets of class I railways amounted to approximately \$1,896,000,000 at July 31, 1945, which compares with \$799,000,000 at December 31, 1941, an increase of \$1,097,000,000, or 137 percent. Represented in that showing is the substantially improved cash position evidenced by the fact that, as of July 31, 1945, 63 percent of total current assets were in the form of cash and temporary cash investments, compared with but 47 percent as of December 31, 1941.

Further and substantial improvement in the net current asset position can be expected by the close of 1945 by reason of (a) potential tax refunds as a result of and to the extent that the railways elect to take advantage of the statutory provisions of the tax laws permitting the amortization, over shortened periods ending with September 1945, of the cost of property certified as emergency facilities under section 124 of the Internal Revenue Code; and (b) the conversion into current assets of the postwar excess-profits tax credits under provisions of the Tax Adjustment Act of 1945.

This more comfortable position will be of great aid to the carriers in facilitating the early restoration of maintenance which had to be deferred during the war period. It will also help in securing promptly the new and improved facilities they will require in order to provide adequate service and to enable them successfully to compete for postwar traffic.

The operating revenues of the 280 class I intercity and local or suburban motor carriers of passengers which filed quarterly reports with us in 1944 totalled \$479,136,423, or 5.7 percent more than the total for these carriers in 1943. Expenses advanced 10.7 percent, and net income before provision for income taxes declined from \$161,785,831 in 1943 to \$157,801,195, or 2.5 percent. After income taxes, \$45,020,199 was left in 1944, as compared with \$49,107,688 in 1943. In the first quarter of 1945, with 338 carriers reporting, operating revenues increased 1.5 percent over the first quarter of 1944; expenses increased 7.8 percent, and net income before income taxes declined 12.7 percent. Revenue passengers carried on intercity schedules, only, numbered 526,091,006 in 1944 compared with 910,295,129 passengers, including commutation passengers, carried in that year by class I steam railways. The average journey per intercity passenger is much shorter, however, by bus than by rail.

The 1,202 identical class I intercity motor carriers of property which included statistical information in quarterly reports filed with us in 1944 handled 99,613,183 tons of freight, as compared with 99,416,339 tons in 1943. The increase was negligible in the case of

both common and contract carriers. Tons carried by class I railroads declined slightly in the same period. In the first quarter of 1945, tons handled by 1,371 class I intercity motor carriers increased 2.3 percent (common carriers, increase, 3.5 percent; contract carriers, decrease, 4.6 percent); rail tons declined 3.2 percent. Freight revenues reported to us by 1,202 of the 1,246 reporting class I intercity motor carriers aggregated \$667,096,644 in 1944, or 9.5 percent of class I railway freight revenue. This percentage would be increased substantially if it were to include the revenues of all intercity motor carriers. The 1,202 class I motor carriers reported a net income before income taxes of \$14,566,452 in 1944 and, after income taxes, of \$7,144,955. These figures compare with \$22,756,537 and \$12,097,940 in 1943.

GOVERNMENT OPERATION OF CARRIERS

Labor disturbances during the war prompted the President to direct that various railroads and motor carriers, whose operations were interrupted or threatened with interruption, be taken into the possession of the Government and be operated under the direction of the Director of the Office of Defense Transportation. This action by the Government brought about the restoration of normal service in each case.

The Toledo, Peoria & Western Railroad was taken into the possession of the Government on March 22, 1942. Government operations continued until October 1, 1945, when the Director of the Office of Defense Transportation relinquished possession and control.

On August 12, 1944, 103 motor-carrier transportation systems operating in the States of Minnesota, North Dakota, South Dakota, Nebraska, Iowa, Kansas, Missouri, Wisconsin, and Oklahoma were taken into the possession of the Government. Ninety-five of the motor carriers were operated under an arrangement whereby the management of each carrier continued to direct operations in the usual manner. In the case of 8 carriers a Government operating manager was appointed to direct operations. All carriers in this group were released from Government possession and control by October 31, 1945.

During the months of May and June 1945 substantially all of the motor carriers engaged in local cartage work in Chicago, Ill., and all of the over-the-road motor carriers operating in and out of Chicago were taken into the possession of the Government. The management of each carrier continued to direct its operations but was furnished military personnel to drive, load, and unload vehicles. The labor disturbances ended on June 27, 1945. The Government relinquished possession and control of the properties of this group on August 16, 1945.

On August 24, 1945, the Illinois Central System was taken into

the possession of the Government. This action by the Government forestalled an interruption of service which was then threatened. Operations were conducted under an arrangement whereby the railroad management continues to direct its business affairs. The labor dispute remains unsettled.

REDUCTION OF FUNDED DEBT AND FIXED INTEREST CHARGES

This subject which was discussed in prior reports is continuing to receive our attention.

A large number of railroads have taken advantage of the call provisions in indentures in order to effect a reduction of their fixed charges through the issue of securities bearing lower interest rates, or reductions in both their funded debt and fixed-interest charges through the issue of such securities and the use of cash in their treasury. From November 1, 1944 to October 31, 1945, we authorized the nominal issue of \$38,845,000, the conditional issue of \$294,508,450, and the actual issue of \$1,918,304,403, of bonds. Sinking funds were required or voluntarily provided for \$1,808,276,976 of the actual issues. Of the bonds actually issued \$1,918,282,376 have provisions for their redemption prior to maturity. The actual issues included \$12,365,000 of serial bonds or notes which mature annually in from 1 to 30 installments. The issue of bonds, with sinking fund and call provisions, and the issue of serial bonds, put the railroads in a position to continue the gradual reduction of their funded debt. In addition, these refunding operations will effect a reduction of \$491,057,414 in future interest charges. The amount of this reduction will increase as the serial bonds are retired.

As of October 1, 1945, we had approved plans of reorganization for 32 railroads which required reduction in long-term debt not including unpaid interest, from \$3,354,665,000 to \$1,833,543,000, or approximately 45 percent, much of the latter being in the form of income bonds involving no fixed charges against income. Of these, 25, involving a reduction of long-term debt from \$2,665,845,000 to \$1,387,778,000, have been approved by the district courts having jurisdiction in the proceedings. Twenty-one of the 25 plans have also been confirmed by the district courts. Should all plans approved by us be confirmed by the courts, 32 of the railroads which have filed petitions under section 77 will have their total debt, including unpaid interest, reduced from \$4,300,521,178 to \$1,833,543,264. Under the plans approved, obligatory fixed charges would be reduced from \$148,865,539 to \$40,113,369. Of this reduction, \$35,527,236 has already been effected, leaving \$73,224,934 to be realized.

At the close of the year 1935 the amount of unmatured funded debt, including equipment obligations, of line-haul steam railways held by the public (that portion not held by railways) was \$11,341

millions as compared with \$9,312 millions, as of December 31, 1944, or a reduction in the 10-year period of \$2,029 millions or 17.9 percent. The amount of interest charges on the funded debt in the hands of the public is not available, except by extensive tabulation of the interest on individual securities listed in the carrier's annual reports. However, the annual accruals of fixed interest charges on funded debt and of interest on unfunded debt, for all railways, including switching and terminal companies, regarded as one system, i. e., with intercorporate payments eliminated have declined from \$583 millions in 1935 to \$474 millions in 1944 or 18.7 percent. The amount of interest on unfunded debt involved is relatively small, amounting to less than 3 percent of the total interest accrued in 1944.

PROGRESS OF RAILROAD REORGANIZATIONS

Railroads in bankruptcy.—One additional proceeding for reorganization of a railroad under section 77 of the Bankruptcy Act was instituted during the period included in this report. Three reorganization cases were concluded, one by consummation of a plan of reorganization, one through dismissal after the property was abandoned, and the last after transfer of its property to another railroad company which acquired the outstanding securities of the debtor.

A list of all railroad reorganization proceedings before us is shown in appendix E.

At the end of the period covered by our last report, plans of reorganization for the Boston & Providence Railroad Corp., Missouri Pacific Railroad Co., Chicago, Rock Island & Pacific Railway Co., St. Louis-San Francisco Railway Co., and Chicago, Indianapolis & Louisville Railway Co. were pending in the courts awaiting approval. Plans for the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., New York, New Haven & Hartford Railroad Co., Yosemite Valley Railroad Co., St. Louis-San Francisco Ry. Co. and Denver & Rio Grande Western Railroad Co. were awaiting confirmation by the courts. One plan which had been confirmed was in the process of consummation.

During the period of this report, plans for the New York, Susquehanna & Western Railroad Co. and the Middletown & Unionville Railroad Co. have been approved by us and certified to the courts and are awaiting approval by them. The district courts approved the plans for the Chicago, Rock Island & Pacific Railway Co., the St. Louis-San Francisco Railway Co., and the Chicago, Indianapolis & Louisville Railway Co., and confirmed the plans for the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., New York, New Haven & Hartford Railroad Co., and Denver & Rio Grande Western Railroad Co. The New Haven plan, which was confirmed, had been referred back to us under a mandate of the Circuit Court of Appeals

for the Second Circuit, for such action as might be required by the mandate. Confirmation took place after issue of our supplemental report in that case reapproving our prior reports and orders as they related to the matters specified in the order of reference. The district court's approval and confirmation of the plan for the Denver & Rio Grande Western was reversed by the Circuit Court of Appeals. A petition for a writ of certiorari has been granted by the Supreme Court. The Yosemite Valley proceeding was terminated by the abandonment of the property. Appeals have delayed further proceedings in the St. Louis Southwestern case. The plan for the Chicago, Milwaukee, St. Paul & Pacific has not as yet been consummated.

In the Florida East Coast proceeding, which had been returned to us by the district court, we issued a modified plan during the period after further hearing. We later reopened this proceeding for further hearings relative to modifications of the plan so as to permit acquisition of control of the reorganized company by another railroad. These hearings have not yet been held.

Proposed reports by examiners recommending plans for two railroads were submitted during the period. We issued final reports approving plans for these two railroads and a final report for one railroad without the issue of a proposed report.

In addition to the report reapproving our prior reports and orders in the New Haven case, we have issued reports modifying the plans of reorganization previously approved by us in two cases.

We have certified the results of submission of plans for acceptance or rejection by the creditors in three proceedings, and the courts have confirmed two of these plans. Two other plans have been submitted to the creditors, but the results of the submissions have not been certified to the courts.

During the period of this report we have disposed of a large number of petitions and motions pertaining to features of reorganizations other than the formulation of plans. These have included ratification of trustees, authorization and modification of previous authorization of protective committees, the fixing of maximum limits of compensation for trustees, trustees' counsel, reorganization managers and their counsel, and of other parties and of reimbursement of expenses incurred in the various proceedings. Public hearings, not relating to the formulation of plans, were held on 14 different occasions in 12 different proceedings, some of which required consideration of numerous individual petitions. Proceedings in reorganization required that we enter approximately 62 reports or orders of a general administrative character.

Since the passage of section 77 of the Bankruptcy Act, 52 proceedings, involving 61,590 miles of railroad, have been instituted for

reorganization of railroads under the section. Of these 52 proceedings, reorganization has been completed in 18 cases involving 17,529 miles of road and the proceedings have been discontinued in 9 cases involving 340 miles of road. Thus 52 percent of the proceedings instituted, representing 29 percent of the total road mileage originally involved, are no longer before the courts in such proceedings.

Plans have been approved and confirmed by the district courts but not yet consummated in three proceedings involving 13,947 miles of road, and plans have been approved by the district courts, but not confirmed in four proceedings involving 13,946 miles of road. We have, in addition approved plans in five proceedings involving 9,801 miles of road in which the plans have not as yet been approved by the district courts. Thus the proceedings have been terminated or plans have been approved by us in 75 percent of the cases representing approximately 90 percent of the road mileage originally involved.

Plans are pending before us in seven proceedings involving 4,751 miles of road, and in six proceedings, representing 1,276 miles of road, no plans as yet have been filed.

VOLUNTARY REORGANIZATIONS

The provisions of chapter XV of the Bankruptcy Act, as revised and amended, were summarized at page 51 of our fifty-sixth annual report. Pursuant to these provisions, the Baltimore & Ohio Railroad Co. in September 1944, being unable to meet its debts matured and about to mature, prepared an adjustment plan, and on December 4, 1944, filed an application for the requisite authority under section 20a of the Interstate Commerce Act. The plan provides for the refunding of certain matured obligations, extension of the maturity date of various other bonds, as well as the modification of other provisions thereof, and the modification of the interest rates for a number of different securities issues. The application was assigned for hearing and the submission thereafter of briefs. Upon consideration of the record, we made the required findings, including the finding that the readjustment would be in the public interest, and granted the necessary authorizations for the consummation of the plan on March 12, 1945. *Baltimore & Ohio R. Co. Debt Adjustment*, 261 I. C. C. 51. The plan at the present time is receiving the consideration of the United States district court.

Under this plan the Baltimore & Ohio was authorized to issue \$84,563,276 of collateral-trust 4-percent bonds, \$76,922,350 of first-mortgage bonds, series A, 4 percent; \$67,826,500 of first-mortgage bonds, series B, 5 percent; \$37,285,500 of Southwestern division first-mortgage bonds, series A; \$36,798,000 of Pittsburgh, Lake Erie & West Virginia system refunding mortgage bonds, series A;

\$10,028,700 of Toledo-Cincinnati division first-lien and refunding mortgage 4-percent bonds, series D; \$122,639,000 of refunding and general mortgage bonds of various series; and \$61,906,000 of 4½-percent convertible bonds. In addition it was authorized to issue conditionally and pledge \$102,388,750 of refunding and general mortgage bonds of various series; \$22,553,000 of Pittsburgh, Lake Erie & West Virginia system refunding mortgage bonds of two series; and \$14,344,300 of Toledo-Cincinnati division first-lien and refunding mortgage bonds. One of the essential features of the plan was the extension of the maturities of the bonds so as to prevent the grouping thereof within a short space of time.

In our fifty-seventh annual report we called attention at page 76 to our practice in connection with the approval of plans of reorganization, by which we have sought to establish, through appropriate action by the bondholders, a method for the postponement of the payment of fixed interest or unpaid accumulations of contingent interest or the principal of any or all series of bonds whether bearing fixed or contingent interest, payable under the terms of a mortgage. This was done in *Chicago I. & L. Ry. Co. Reorganization*, 254 I. C. C. 539, 673, and was approved July 9, 1945 by the district court *In the matter of Chicago I. & L. Ry. Co. debtor*. We stated further that we were giving consideration to a possible recommendation that the Congress adopt legislation which would provide for the application of such a provision to all railroad mortgages under which bonds were outstanding, whether or not reorganization proceedings had been instituted.

Under the method indicated, a modification of the terms of the securities concerned would be effected by the concurrent action of the railroad company and the holders of not less than 75 percent in principal amount of all bonds at the time outstanding under the mortgage, subject to our approval or the approval of any regulatory body having jurisdiction in the premises. The provision for such a method is advantageous because of the possibilities which it offers for the avoidance of judicial reorganization and the delays incident thereto. Its inclusion tends somewhat to lessen the necessity for the strict limitations in the debt and interest charges of companies undergoing reorganization which otherwise are necessary in view of the wide fluctuation in railroad earnings experienced in the past and which may be expected in the future.

The application of such a provision generally to all mortgages under which bonds are already outstanding could be accomplished under the provisions of S. 1253 now pending in the Congress and which has our endorsement. Under this legislation, upon application we would be required to make a finding that an alteration or modification in the provisions of a carrier's outstanding obligations or the instru-

ments pursuant to which they have been issued, with certain exceptions, would be in the public interest and that it—

will be in the best interests of the carrier and the holders of each class of its obligations affected by such modification or alteration; and will not be adverse to the interests of any other class of the carrier's securities or to the interests of any creditor of the carrier, not affected by such modification or alteration.

If the alteration or modification is accepted by the holders of at least 75 percent of the aggregate principal amount outstanding of each class of obligations affected thereby it would be our duty to enter an order approving and authorizing the proposal. It is our opinion that this legislation, if enacted, would materially aid in promoting the public interest, increase the stability of values of railroad securities, with resulting greater confidence therein by investors, and promote a more sound financial condition by avoiding prospective financial difficulties.

COMPETITIVE BIDDING IN THE SALE OF RAILROAD SECURITIES

In our last annual report we summarized our conclusions in *In re Competitive Bidding in the Sale of Securities*, 257 I. C. C. 129, wherein we determined that, for the proper administration, execution, and enforcement of section 20a of the Interstate Commerce Act, we should require, as a condition to our approval of the sale of railroad securities issued under the provisions of that section, that such securities, with certain exceptions enumerated, be offered at competitive bidding, or at what we had theretofore considered tantamount thereto, viz, upon invitations for bids from the purchasers thereof. Reference was also there made to instructions which we issued on June 1, 1944, to govern special applications for exemption from the competitive bidding requirement. During the past year no application for exemption pursuant to these instructions was filed. Request for exemption from the competitive bidding requirement was made in two applications filed under the provisions of section 20a, but we found that the securities to be issued came within the exceptions. No other requests for exemption have been made in applications filed under that section.

The following table shows the results of all bond sales under competitive bidding during the past year, together with certain pertinent data. The principal amount of such bond sales was \$1,235,584,000 and in addition \$129,353,231 of equipment obligations and \$54,177,000 of terminal company bonds were sold in this manner:

Bond issues sold at competitive bidding, authorized under section 20a of the Interstate Commerce Act, as amended, from November 1, 1944, to October 31, 1945

Name of company, description of issue	Year due	Principal amount	Coupon rate	Date bids opened	Number of bids	Price to company	Interest cost (per cent)	Price to public	Gross spread
Potomac Edison Co. first-mortgage and collateral-trust bonds.	1974	\$16,981,000	3	Oct. 31, 1944	5	101.402	2.93	102.50	1.098
Chicago, Burlington & Quincy Railroad Co., first and refunding mortgage bonds.	1974	40,000,000	3 $\frac{3}{4}$	Nov. 1, 1944	2	99.137	3.80	100.75	1.613
New York, Chicago & St. Louis Railroad Co., refunding mortgage bonds.	1975	42,000,000	3 $\frac{3}{4}$	Dec. 19, 1944	2	100.529	3.72	102.00	1.471
Washington Terminal Co. first-mortgage bonds, series A.	1970	11,000,000	2 $\frac{9}{8}$	Jan. 3, 1945	7	100.81	2.54	101.37	0.57
Louisville & Nashville Railroad Co., first and refunding mortgage bonds, series F.	2003	53,835,000	3 $\frac{3}{8}$	Jan. 4, 1945	2	104.66	3.20	105.88	1.22
Pennsylvania Railroad Co., general-mortgage bonds, series F.	1985	51,782,000	3 $\frac{1}{8}$	Jan. 5, 1945	3	100.609	3.10	101.68	1.071
Pere Marquette Railway Co., first-mortgage bonds, series B.	1980	50,000,000	3 $\frac{3}{8}$	Feb. 19, 1945	2	99.71	3.39	100.92	1.21
Chicago & North Western Railway Co., first-mortgage bonds, series B.	1989	54,000,000	3	Apr. 4, 1945	2	99.31	3.03	100.00	0.69
Reading Co., first and refunding mortgage bonds, series D.	1995	84,000,000	3 $\frac{1}{8}$	Apr. 12, 1945	2	100.59	3.10	101.87	1.28
Erie Railroad Co., first consolidated mortgage bonds:									
Series F.	1990	33,900,000	3 $\frac{1}{8}$	Apr. 17, 1945	2	99.389	3.15	100.65	1.261
Series G.	2000	40,000,000	3 $\frac{1}{8}$	do.	3	99.33	2.09	100.00	0.67
Series H.	1953	5,500,000	2 $\frac{1}{2}$	do.	3	99.25	3.84	100.00	1.75
Chicago & Eastern Illinois Railroad Co. first-mortgage bonds, series B.	1985	9,400,000	3 $\frac{3}{4}$	Apr. 25, 1945	1	98.25	3.84	100.00	1.75
Virginian Railway Co. first lien and refunding mortgage bonds, series B.	1995	60,000,000	3 $\frac{3}{4}$	Apr. 24, 1945	2	103.609	2.79	106.71	1.041
New York, Chicago & St. Louis Railroad Co., refunding-mortgage bonds.	1980	58,000,000	3 $\frac{1}{4}$	Apr. 26, 1945	3	99.779	3.26	101.00	1.221
Pennsylvania Railroad Co., general-mortgage bonds, series G ¹ .	1985	52,981,000	3	May 8, 1945	3	100.00	3.00	(¹)	(¹)
Kansas, Oklahoma & Gulf Railway Co., first-mortgage bonds.	1980	4,400,000	3 $\frac{5}{8}$	do.	4	99.059	3.67	100.50	1.441
Louisville & Nashville Railroad Co., first and refunding mortgage bonds.	2003	53,119,000	2 $\frac{7}{8}$	July 2, 1945	2	97.669	2.95	98.3	0.931
Texas & Pacific Railway Co., general and refunding mortgage bonds, series E.	1985	39,000,000	3 $\frac{7}{8}$	July 11, 1945	2	98.6399	3.94	100.50	1.860
Arkansas & Memphis Railway Bridge & Terminal Co., first-mortgage serial bonds.	1946-1975	2,865,000	2.68	July 10, 1945	6	100.00	2.68	100.314	.3146
Great Northern Railway Co., general-mortgage gold bonds:									
Series N.	1990	37,500,000	3 $\frac{1}{8}$	Aug. 28, 1945	6	98.5679	3.18	100.00	1.4321
Series O.	2000	37,500,000	3 $\frac{1}{8}$	do.	6	98.5679	3.18	99.35	.7821
Southern Pacific Railway Co., first-mortgage bonds:									
Series A.	1961	25,000,000	2 $\frac{7}{8}$	Sept. 11, 1945	2	98.00	3.04	99.5	1.5
Series B.	1986	50,000,000	3 $\frac{3}{8}$	do.	2	98.00	3.85	100.0	2.0
Series C.	1996	50,000,000	3 $\frac{3}{8}$	do.	2	98.00	3.84	99.75	(¹)
Series D. ¹	1996	25,000,000	3 $\frac{3}{8}$	do.	2	98.00	(¹)	(¹)	(¹)
Northern Pacific Railway Co., collateral-trust bonds.	1975	53,000,000	4 $\frac{1}{2}$	Sept. 6, 1945	1	98.00	4.62	100.00	2.00
Wheeling & Lake Erie Railway Co., general and refunding mortgage bonds.	1992	6,000,000	2 $\frac{3}{4}$	Sept. 12, 1945	4	98.099	2.82	98.70	.601
Wabash Railroad Co., first-mortgage bonds, series B.	1971	47,000,000	3 $\frac{3}{4}$	Feb. 5, 1945	2	98.38	3.34	99.625	1.245
Union Pacific Railroad Co., refunding-mortgage bonds, series B.	1990	81,602,000	3	Sept. 26, 1945	2	103.3599	2.87	104.00	0.6401

¹ No public offering.

Bond issues sold at competitive bidding, authorized under section 20a of the Interstate Commerce Act, as amended, from November 1, 1944, to October 31, 1945—Continued

Name of company, description of issue	Year due	Principal amount	Coupon rate	Date bids opened	Number of bids	Price to company	Interest cost (per-cent)	Price to public	Gross spread
Pennsylvania, Ohio & Detroit Railroad Co., first and refunding mortgage bonds, series E-----	1975	\$31,873,000	2 $\frac{7}{8}$	Oct. 9, 1945	4	99.01	2.92	(1)	(1)
	1977	729,000	2 $\frac{7}{8}$			99.01	2.92	(1)	(1)
Western Maryland Railway Co., collateral-trust bonds-----		9,500,000	13 $\frac{3}{4}$	Oct. 4, 1945	1	100.00	2.92	(1)	(1)
			21 $\frac{1}{2}$						
			21 $\frac{1}{2}$						
			28 $\frac{1}{2}$						
			3 and 3 $\frac{3}{4}$						
Terminal Railroad Association of St. Louis, refunding and improvement mortgage bonds, series D-----	1985	40,312,000	2 $\frac{7}{8}$	Oct. 10, 1945	3	101.289	2.80	102.53	1.241
New York Connecting Railroad Co., first-mortgage bonds, series B-----	1975	25,982,000	2 $\frac{7}{8}$	Oct. 15, 1945	3	99.2799	2.92	100.00	0.7201
Lehigh & New England Railroad Co., first-mortgage bonds, series B-----	1975	4,000,000	3	Oct. 24, 1945	2	99.5199	3.02	100.00	0.4801

¹ No public offering.

During the past year the market has continued to be favorable for the sale of bonds of the type sold at competitive bidding. The results appear to have been satisfactory in all but a few cases. In some instances there has been considerable spread between the price paid by the successful bidder and the price offered by the next highest bidder, indicating substantial savings to the issuing company. No bids were received by the Delaware & Hudson Railroad Corp. for \$50,000,000 of its first and refunding mortgage bonds, series A, due 1980, which it proposed to issue for the purpose of refinancing various issues of its system debt, and these bonds were not sold. In October 1944 the Wabash Railroad Co. offered for competitive bidding \$47,000,000 of first-mortgage bonds, series B. Only one bid was received which was unsatisfactory and rejected. Subsequently, in January 1945 the bonds, after making certain revisions therein, were again offered for sale. At that time two bids were received and the bonds sold upon terms producing substantial savings to the carrier. Only one bid was received for each of the following issues: Chicago & Eastern Illinois Railroad Co. first-mortgage bonds, series B, in the amount of \$9,400,000; Northern Pacific Railway Co. collateral-trust bonds in the amount of \$55,000,000 and Western Maryland Railway Company collateral trust bonds in the amount of \$9,500,000. In the offering for sale of \$125,000,000 of Southern Pacific Railroad Co. first-mortgage bonds, consisting of \$25,000,000 of series A, due January 1, 1961, \$50,000,000 of series B, due January 1, 1986, and \$50,000,000 of series C, due January 1, 1996, two bids were received for the series A bonds and only one bid for the series B and C bonds, respectively, and, in the bidding for the three series of bonds collectively, only one bid was received and the bonds were sold to such bidder. The sale was not a satisfactory one. The manager of the successful syndicate—long the regular banker for the company—formed a group which included most of the principal underwriters of the nation. As a consequence of this and of the size of the issue the formation of even one other bidding group was difficult and competition was substantially eliminated. The price received by the company was thus adversely affected. This experience suggests that the present available underwriting capital in this country is hardly sufficient to afford effective competition on a very large issue.

It is to be hoped that the better spacing of maturities and the steady retirement of debt through the operation of sinking funds and otherwise will soon eliminate the necessity of issues that are too large for actual competition.

INVESTIGATIONS

Reports have been published in the following investigations of general interest instituted on our own motion:

Ex Parte No. 72 (Sub-No. 1), *Western Fruit Exp. Co. Employees-Railway Labor Act*, 262 I. C. C. 797.

Ex Parte No. 104, Part II, *Terminal Services (Decatur Soya Bean Products Co., 259 I. C. C. 471; Archer-Daniels Midland Co., 259 I. C. C. 455; Phelps Dodge Corp., 262 I. C. C. 731; Spencer Kellogg & Sons, Inc., 262 I. C. C. 205; Corn Products Refining Co., 262 I. C. C. 57; Standard Oil Co. of La., 262 I. C. C. 285; Great Lakes Steel Corp., 262 I. C. C. 173; John Morrell & Co., 263 I. C. C. 69; Red River Lumber Co., 263 I. C. C. 48).*

Ex Parte No. 137, *Contracts for Protective Services*, 262 I. C. C. 801 and 263 I. C. C. —.

Ex Parte No. 148, *Increased Railway Rates, Fares, and Charges, 1942*, 259 I. C. C. 159.

Ex Parte No. MC-4, *Motor Carrier Safety Regulations*, 44 M. C. C. 298.

No. 13528, *Power Brakes and Appliances for Operating*, 262 I. C. C. 767, 263 I. C. C. 416.

No. 17000, Part 7-A, *Grain To, From, and Within Southern Territory*, 259 I. C. C. 629.

No. 20769, *Charges for Protective Service to Perishable Freight*, 262 I. C. C. 243.

No. 28190, *New Automobiles in Interstate Commerce*, 259 I. C. C. 475.

No. 28300, *Class Rate Investigation, 1939*, 262 I. C. C. 447.

No. 28825, *Bituminous Coal to Youngstown District*, 263 I. C. C. —.

No. 28990, *Bills of Lading of Freight Forwarders*, 259 I. C. C. 277.

No. 29085, *Control of Chesapeake & Ohio Ry. Co.*, 261 I. C. C. 239.

No. 29140, *Accounting for Post Driving to Arrest Water Pockets*, 262 I. C. C. 134.

No. 29145, *Status of the Tulsa Union Depot Co.*, 262 I. C. C. 78.

No. MC-C-360, *Minimum Class Rate Restrictions*, 44 M. C. C. 367.

No. MC-C-440, *In Re. Term. to Term. Transp. Charges of Liberty M. Frl.*, 44 M. C. C. 591.

In No. 28897, *Proportional Rates of Freight Forwarders*, the investigation was discontinued.

Other investigations are pending, some of the more important of which are the following:

Ex Parte No. 128, *Investigation of South Buffalo Ry. Co.*

Ex Parte No. MC-37, *Commercial Zones and Terminal Areas.*

No. 26570, *Reduced Pipe Line Rates and Gathering Charges.*

No. 26712, *Rail and Barge Joint Rates.*

No. 28863, *Rates on Wool and Mohair.*

No. 28896, *Forwarder Rates Conditioned upon Aggregates of Tonnage.*

No. 29223, *Accounting by Kansas City Southern Ry. Co., in Respect of Merger of Properties of Texarkana & Fort Smith Ry. Co., into Kansas City Southern Ry. Co.*

No. 29335, *Grain and Products from Oregon, Idaho and Utah to Pacific Coast.*

No. 29374, *Accounting by the Western Pacific R. Co. in Respect of Opening Journal Entries in Connection With Its Reorganization under Section 77 of the Bankruptcy Act.*

No. MC-C-150, *Motor Freight Classifications.*

No. MC-C-200, *Motor Carrier Class Rate Investigation.*

CLASS RATE AND CLASSIFICATION INVESTIGATIONS

Our preceding annual reports have stated the progress made in these comprehensive investigations, Nos. 28300 and 28310, respectively. On May 15, 1945, we issued a report and interim order in these proceedings. A majority of the cooperating committee of State commissioners concurred in our conclusions. The report contains three parts: Part I deals with the classification of freight, part II deals with the class rates, and part III deals with the *ad interim* adjustment, which will be made effective pending the establishment of a uniform classification.

In part I the railroad classifications of freight for the entire country were found to be unreasonable and unduly prejudicial as a whole and to the extent that they are not uniform. At present there are three major freight classifications, official, southern, and western, and in addition the Illinois classification, which has a limited interstate application. By our decision the railroads were given 90 days in which to signify whether they would undertake to submit for our approval a uniform freight classification for the entire country. This assurance they have given us. On June 19, 1945, the class I rail carriers operating in official territory advised that they were prepared, in collaboration with the carriers operating in other sections of the country, to make and tender to us a uniform classification based upon our findings in the report of May 15, 1945. On June 21, 1945, the class I railroads of the western district notified us that they were willing to undertake the task of preparing a uniform classification, in collaboration with the railroads of the east and south, without prejudice as to the views of these lines with respect to the uniform scale or the measure of rates which should be applied in connection with a uniform classification. On July 2, 1945, the southern railroad respondents advised that they were desirous of cooperating with us to the fullest extent in this matter, and would undertake to make and tender to us a uniform classification in collaboration with the railroads of other territorial groups.

Under our findings the new uniform classification will contain 30 classes, as follows: Classes 400, 300, 250, 200, 175, 150, 125, 100, 92.5, 85, 77.5, 70, 65, 60, 55, 50, 45, 40, 37.5, 35, 32.5, 30, 27.5, 25, 22.5, 20, 17.5, 16, 14.5, and 13.

The railroads have taken the following steps: (1) The chairman or a duly authorized member of the official, western, and southern classification committees have been designated to proceed with the task, employing personnel and selecting headquarters. It has not been definitely decided, but the prevailing sentiment is to select Chicago, Ill., as the central point for the work. (2) A committee composed of freight-traffic officers from the eastern trunk line association (repre-

senting also central freight association and New England freight association), southern freight association, and western traffic executive committee, has been appointed to serve as an advisory committee to advise and counsel with, and review the work and recommendations of, the classification group.

The detailed procedure to be followed by representatives of the three classification committees and the advisory committee has not yet been fully developed.

In our report of May 15, 1945, we stated that the shipping public and rate-making authorities of the States should be afforded opportunity for participation in the undertaking. We shall designate certain members of our staff to keep in close contact with the work of the classification committees charged with the responsibility of establishing a uniform classification.

In part II of our report we found a permanent scale of class rates for uniform application in all the rate territories covered by the investigation in No. 28300 (embracing the entire country except mountain-Pacific territory), as reasonable, and as not unjustly discriminatory or unduly prejudicial, for application in connection with the uniform freight classification to be established, both intraterritorially and interterritorially within the geographical scope of the proceeding.

In part III, as a temporary measure of relief from the violations of the act found in parts I and II of our decision, and for an interim period until a uniform classification of freight can be established, all of the present class rates in and between southern, western trunk-line, and southwestern territories, and between those territories on the one hand and official (eastern) territory on the other, are required to be reduced 10 percent, subject to certain minima. All of the present class rates within official (eastern) territory are required to be increased 10 percent. This will greatly reduce the differences in the levels of the class rates in the various class-rate territories. The minimum charge per shipment on less-than-carload shipments moving at class rates is increased from 55 to 75 cents. These interim changes are ordered to become effective November 30, 1945.

Numerous petitions have been filed asking reconsideration, rehearing, modification, and clarification of our findings, as to the interim and the permanent adjustments. In general, the States in official territory, shippers' organizations therein, and the States of Kentucky and Wisconsin, ask reconsideration of our findings insofar as they require an increase in the class rates in official territory. Certain shippers in the south ask reconsideration of the entire findings. The southwestern steering committee on behalf of the States of Arkansas, Louisiana, Oklahoma, Texas, and Kansas ask for slight modifications

of our findings. The Minneapolis Traffic Association asks for reargument and reconsideration. None of the railroads in official territory or southern territory ask reconsideration. They have filed certain petitions for clarification of or exceptions to our findings. The railroads in the western district filed a petition for reconsideration and reargument, but this petition was not joined in or filed on behalf of the St. Louis-San Francisco Railway, the Alton Railroad, the Illinois Central Railroad, or the Wabash Railroad. The motor-carrier interveners ask reconsideration of both the interim and permanent adjustment.

The Public Service Commissions in 6 of the 11 western States, which are either wholly or partly in mountain-Pacific territory, appeared as parties in the proceedings, and the State commissions in the other 5 States in that territory now have become parties, by filing petitions of intervention. The State of New Mexico has filed a petition requesting inclusion of at least the eastern portion of that State in the interim adjustment. The State commissions of California, Oregon, and Nevada ask that our findings as to the permanent scale of class rates be vacated, and that a further hearing be held subsequent to the acceptance by us of the uniform classification. We have been aware that, when the existing western classification is superseded by a country-wide new classification, it will be necessary to readjust the class rates applicable within and to and from the mountain-Pacific territory. It is our purpose to investigate those rates as soon as the development of the new classification permits.

Similar investigations are pending in Docket Nos. MC-C 150 and MC-C 200 involving motor-carrier class rates and classification of freight. Preliminary studies in connection with these investigations are under way. The Cost Section of our Bureau of Transport Economics and Statistics has been engaged for some time in making cost studies of motor-carrier operations, supplemented by waybill analyses, the results of which are to be used in these motor-carrier investigations.

All pending petitions, in so far as they related to the interim adjustment, were disposed of in a supplementary report issued October 30, 1945. Our findings in the original report were clarified and modified in certain respects, but the principal findings were not changed.

By order of October 26, 1945, the effective date of the interim adjustment was postponed until January 1, 1946. This postponement was necessitated by a printers' strike in Chicago, Ill., which interrupted and delayed the printing of many of the tariffs until it was impossible for the respondents (who had no control over the situation) to file and publish their schedules within the time limited in our original order.

RATE BUREAUS AND CONFERENCES

In our last preceding annual report, pages 28-29, we recited the issuance of certificate No. 44 by the Chairman of the War Production Board, and the regulations formulated by us annexed thereto, for the governance of rate bureaus, conferences, or similar organizations. As there shown, a large number of documents contemplated by the regulations were filed with us, which are preserved as public records, open to inspection, at our offices. During the year covered by this report various additional and supplemental filings of similar character have been made.

We stated, at pages 30-31:

Until about 5 years ago, the view was rather generally held that for all wrongs for which the parties are afforded a remedy by terms of the Interstate Commerce Act, to that extent the Interstate Commerce Act supersedes the antitrust laws.

While such a view perhaps requires qualification in the light of more recent court decisions, it is supported to some extent by the evident disposition on the part of Congress to negative the application of the antitrust laws to certain transactions of carriers subjected to regulation under the Interstate Commerce Act, section 5 (11) of which affords an example. Also it is significant that the statement of National Transportation Policy added to that act in 1940 contains the following:

"* * * to encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; * * *"

In our opinion, there is danger that undue breadth in interpreting and applying the Sherman Act would interfere with carrying out the stated policy against "unfair or destructive competitive practices."

At the present session of Congress, H. R. 2536, by Congressman Bulwinkle, "To amend the Interstate Commerce Act, with respect to certain agreements between carriers," has been made the subject of extensive hearings before a subcommittee of the Committee on Interstate and Foreign Commerce of the House of Representatives. We have reported to that Committee that legislation along the lines provided by the bill is desirable in the public interest, but have suggested certain amendments in the details of the bill.

On October 23, 1945, the Chairman, War Production Board, addressed to The Attorney General a signed "Revocation of Certificate No. 44," as follows:

REVOCATION OF CERTIFICATE NO. 44

The ATTORNEY GENERAL:

Pursuant to Section 12 of Public Law No. 603, 77th Congress (56 Stat. 357), I hereby withdraw the certificate and finding dated March 20, 1943, with respect to joint action by common carriers or freight forwarders, or their respective representatives, through rate bureaus, rate conferences, or other similar carrier or forwarder organizations, in the initiation and establishment of common carrier and freight forwarder rates, fares, and charges, and carrier and forwarder regula-

tions, and practices pertaining thereto: Provided, That such action is taken subject to and in compliance with certain regulations for rate conferences formulated by the Interstate Commerce Commission, such withdrawal to become and be effective February 1, 1946.

J. A. KRUG

Chairman War Production Board

Date: October 23, 1945.

This action emphasizes strongly the need for legislation along the lines of the Bulwinkle Bill, H. R. 2536, and as recommended in our last annual report, at page 106.

EMERGENCY WATER SERVICE

During the national emergency, most normal water-carrier activities have been disrupted. This applies in varying degree to the carriers operating on the inland waterways, including the Great Lakes, as well as those in the coastwise and intercoastal trades. A great many of the carriers, at the direction or request of Government agencies, diverted or converted much of their equipment and facilities to assist in the war effort. Practically all vessels in coastwise and intercoastal services were withdrawn therefrom for use by the Government when the need for ships was imperative. Drastic changes were made in operations on the Great Lakes. A number of the operators on other inland waterways discontinued all or parts of their former services. As a result of these conditions, the total transportation by water in domestic commerce has been much less than it was before the war. However, a large volume of ore was handled on the Great Lakes. Much coal moved by water, and because of the lack of coastwise vessels, particularly tankers, large quantities of sulphur and petroleum, and its products, were transported in barges on the rivers and canals. Many other new movements of traffic were handled.

Owing principally to those conditions, emergency needs for immediate water service by other than authorized common and contract carriers developed. Under section 311 (a) of the act we may, in our discretion and without hearings or other proceedings, grant temporary authority for such service where an immediate and urgent need exists and no other carrier service is capable of meeting such need. Almost at the outset of the war emergency, we arranged with the War Shipping Administration and the Office of Defense Transportation for granting temporary authority to water carriers to perform services directed or requested by either of those agencies where such authority from us was necessary. Also a number of applications for temporary authority were filed by water carriers to meet operating emergency needs of the Army, the Navy, and others for water services essential to the war effort. In other cases this type of authority was granted to meet commercial needs not directly connected with the war.

Since the beginning of the national emergency 129 orders have been issued granting temporary authority under section 311(a). During the year ended October 31, 1945, 22 such orders were issued, and 22 others were extended.

It may be necessary to grant many temporary authorities during the reconversion period. Soon after the surrender of Japan, the Administrator, War Shipping Administration, filed with us an application under section 311 (a) for temporary authority to operate as a common and contract carrier between all ports on the Atlantic, Pacific, and Gulf of Mexico coasts, by self-propelled vessels over ocean routes. In his application he pointed out that existing conditions prevented the immediate delivery of vessels to the coastwise and intercoastal carriers which are authorized to perform such services, and proposed that such temporary authority would be exercised only through such carriers as agents of the Administrator, pending the restoration of service by such agents in their own names. The Association of American Railroads, on behalf of its members other than the Central of Georgia Railroad, protested on the ground that existing railroad and motor-carrier services were capable of meeting the need for transportation, and that, therefore, we were without power under section 311 (a) to grant the authority sought. This application was docketed under No. W-926 (Sub-No. 1-TA), Administrator, War Shipping Administration Temporary Authority Application (Coastwise and Intercoastal) and decided September 17, 1945. A report was issued which sets forth the facts relating the circumstances and conditions upon which our conclusions were based. The substance of our findings was, that under the provisions of the subsection mentioned and in the light of the national transportation policy declared in the act, we were duly authorized to grant the application; and that an immediate and urgent need existed for the institution of the proposed services. The authority sought was granted.

FORWARDER PARTICIPATION IN JOINT RATES

For many years freight forwarders have used the facilities of motor carriers to serve off-line points, and also in the movement of traffic between terminal points whenever that mode of transportation was more expeditious and economical than the service accorded by the railroads. Prior to the enactment of part II of the Interstate Commerce Act, forwarders had generally made contracts with motor carriers under the terms of which the rates charged on forwarder traffic were tantamount to joint rates. The tariff provisions of that part became effective April 1, 1936. Most of the larger forwarders filed tariffs with us containing joint rates with motor carriers effective April 1, 1936, and these were supplemented thereafter.

In *Acme Fast Freight, Inc., Common Carrier Application*, 8 M. C. C.

211, decided July 12, 1938, we found that forwarders are not common carriers or contract carriers under part II of the act, and that they could not participate in joint rates with common carriers by motor vehicles under the statute. To meet this situation, certain motor carriers operating between Chicago and points in Wisconsin and between certain other points in Indiana and Illinois filed tariffs with us containing rates designated as "proportional rates." The tariffs were suspended and were found unlawful by division 5 in *Chicago and Wisconsin Points Proportional Rates*, 10 M. C. C. 556; that decision affirmed by us in 17 M. C. C. 573, and sustained by the Supreme Court in *United States v. Chicago Heights Trucking Co.*, 310 U. S. 344, generally referred to as the *Chicago Heights* case. In a supplemental report in the *Acme* case, 17 M. C. C. 549, we ordered the joint tariffs of Acme Fast Freight, Inc., and certain other forwarders canceled. This action was sustained in *Acme Fast Freight, Inc., v. United States*, 30 Fed. Supp. 968, and the latter decision affirmed on April 8, 1940, by the Supreme Court, 309 U. S. 638.

In *Freight Forwarding Investigation*, 229 I. C. C. 201, 304, decided October 11, 1938, we found that the forwarder in its relations to the rail lines is a shipper, but that in its relations to the public it possesses characteristics of a common-carrier transportation agency, and that its regulation as a common carrier was not contemplated by the provisions of part I or part II of the act. As a result of the above-mentioned litigation, we ordered the tariffs of forwarders which had been filed with us, including those containing so-called joint rates with motor carriers, stricken from our files. By successive postponements of the effective dates of such orders, compliance with such decisions was withheld, awaiting action of the Congress dealing with regulatory legislation for the forwarding industry.

The Interstate Commerce Act was amended by part IV, approved May 16, 1942, to provide for the regulation of the business of freight forwarders. Section 409 of that part, as subsequently amended, permits joint rates by forwarders and motor carriers until February 16, 1946, to allow necessary and gradual readjustment of rate arrangements between forwarders and motor carriers with the least inconvenience to the users of forwarder service. As a substitute for the joint rate arrangements, section 408 was enacted. In substance, that section contemplates the establishment for the future by common carriers subject to part I, II, or III of the act, of assembling and distribution rates or charges which would be available to freight forwarders, among others, on less-than-carload or less-than-truckload traffic.

In *In Re Term. to Term. Transp. Charges of Liberty M. Frt.*, 44 M. C. C. 591, decided June 5, 1945, we considered the practices of certain motor carriers in collecting transportation charges from

certain forwarders for line-haul transportation between terminals of such forwarders on a basis different from the rates and charges for such transportation published in the motor-carriers' tariffs on file with us, and the practices of the freight forwarders in paying such charges. Although section 408 provides a termination basis for future rates, we found that section 409, the effective date of which has been extended, permits the continuation for the temporary period provided in the extension of the joint rates, charges, and divisions contained in tariffs of freight forwarders described in the report in the last-mentioned proceeding.

INCREASED RAILWAY RATES, FARES, AND CHARGES, 1942

In our annual reports of 1942, 1943, and 1944, we described the above-entitled proceeding and reported the actions taken in our original report, 248 I. C. C. 545, report on further hearing, 255 I. C. C. 357, supplemental report, 256 I. C. C. 502, second supplemental report, 258 I. C. C. 455, and supplemental report on further hearing, 259 I. C. C. 159. The three reports last mentioned successively suspended operation of the authorizations for freight-rate increases, the last cited until January 1, 1946.

To summarize our previous actions: On March 2, 1942, upon petitions of the railroads and certain common carriers by water, increases were authorized in freight rates and charges and in standard and commutation passenger fares, in interstate commerce, for the period of the "present" war and 6 months thereafter. The authorized increases became effective generally, as to passenger fares on February 10, 1942, and as to freight rates and charges on March 18, 1942. After further hearing early in 1943, we found, as to freight rates and charges, that the added revenue from the increases was no longer necessary and that they were unreasonable to the extent of the increases; and the authority to continue the increases was suspended from May 15, 1943, until January 1, 1944. The authority to continue the increases in commutation fares was revoked, but no changes in standard passenger fares were required. Our supplemental reports of November 8, 1943, and May 12, 1944, and report on further hearing of December 12, 1944, further suspended the increases in freight rates and charges until January 1, 1946.

The railroads parties to the original petition in this proceeding filed with us a consent, dated August 17, 1945, "to the entry by the Commission of an order herein extending for such further period as it may see fit the suspension periods specified in its order of April 6, 1943, as modified, and requiring that the basis of freight rates and charges therein prescribed to be maintained until January 1, 1946, shall be maintained by the petitioning railroads until such date thereafter as it may specify." The consent stated a reservation that it was not to be

taken as precluding or prejudicing any future application which petitioners might find necessary or desirable for authority to increase their general rate level, either by restoration of the increases suspended, or otherwise. No replies to this consent were filed by any party to the proceeding within the period provided for in our Rules of Practice.

On September 25, 1945, the Secretary of Agriculture petitioned us to declare a date not later than March 2, 1946, as the expiration date for the original order of March 2, 1942, authorizing increases in freight rates and charges, and to discontinue the proceeding without further hearing. The following day a motion was received from the National Association of Railroad and Utilities Commissioners, 28 State commissions, a regional association of State regulatory commissions, and the States of Iowa and North Dakota, for entry of an order (1) designating March 2, 1946, as the expiration date of the authorization for freight-rate increases contained in the order of March 2, 1942, (2) further suspending to March 2, 1946, but not beyond that date, the freight-rate increases or, in the alternative, canceling increases effective January 1, 1946, and (3) discontinuing this proceeding with respect to freight rates, effective March 2, 1946, or earlier.

A reply to the above-mentioned petition and the motion was filed on October 5, 1945, by the railroads parties to the original petition in this proceeding.

On October 30, 1945, we entered an order thereon in which we further suspended the operation of the freight-rate increases and charges originally authorized, as modified in subsequent reports, until a date 6 months after the legal termination of the war.

Under our previous findings and orders, unless sooner modified or vacated, the authority to increase freight rates and charges and to maintain the increase in passenger fares will automatically expire on a date 6 months after the legal termination of the war.

INTRASTATE RATE CASES

Reports have been published in the following proceedings instituted by us under section 13 (3) of the act:

No. 25020, *Rates on Crushed Stone, Gravel, Sand, and Slag in Ohio*, 259 I. C. C. 423; 263 I. C. C. 299.

No. 28881, *Bituminous Coal Rates Within Illinois*, 263 I. C. C. ———.

No. 28770, *Intrastate Rates on Grain and Grain Products in Texas*, 263 I. C. C. 119.

A proceeding under this provision of the act, No. 28791, *Rates on Road Aggregates within Georgia*, is pending. In another similar proceeding, No. 23130, *Intrastate Rates on Bituminous Coal between Points in Illinois*, original report, 182 I. C. C. 537, a reopening order was vacated.

SPOTTING SERVICES AT INDUSTRIAL PLANTS

In our past several annual reports we made reference to the general investigation which we had instituted into practices of carriers affecting operating revenues and expenses under Ex Parte 104, part II, which relates to terminal services by class I carriers by railroad. We therein called attention to the fact that our decisions in certain proceedings had been sustained by the Supreme Court, and that hearings respecting a number of other industrial plants had been held.

There are numerous plants throughout the country where carriers are performing terminal services, or paying allowances in lieu thereof, under conditions that are probably analogous to those which we have found unlawful at other plants. Since the practice of instituting separate investigations, each involving a hearing, requires considerable time and expense, almost from the start of the investigation we have been endeavoring to follow a more expeditious and less expensive method. As the result of an exchange of views with various parties to these proceedings, division 3, beginning in the summer of 1944, has held a series of conferences with representatives of industries and of the carriers in an endeavor to have them reach an agreement on rules governing terminal services which would be in conformity with the principles announced in our report in *Propriety of Operating Practices—Terminal Services*, 209 I. C. C. 11, and published in the carriers' tariffs. As a result of those conferences, the carriers which operate in the territory north of the Potomac and Ohio Rivers and east of the Mississippi River, following public meetings, have published a tariff to become effective January 1, 1946, embracing rules which, they feel, will achieve uniform application of the principles announced by us in this proceeding.

During the past year we have held hearings with respect to the situations at a number of plants and have adopted 12 supplemental reports in this proceeding.

RAILROAD SLEEPING CAR SERVICE

Important developments in this phase of transportation have recently occurred. Sleeping-car service in this country was initiated in 1858. From that time until about 1900 the business was carried on by various sleeping-car companies and by the railroads themselves. The latter gradually withdrew from the business, and by the year 1900 the Pullman interests had acquired a practical monopoly in this field of transportation service. Since 1927 the sleeping-car business has been under the control of Pullman, Inc., a holding company which owns all or nearly all of the stock of the Pullman Co. and the Pullman-Standard Car Manufacturing Co. The former operates the sleeping-car service, and the latter is engaged in the manufacture of freight and passenger cars, including sleeping cars.

In a suit brought in recent years by the United States, in a special three-judge district court in the Eastern District of Pennsylvania, this monopoly was found to be in violation of the Sherman Antitrust Act, and orders were entered by the court designed to bring about its termination. (See *United States v. Pullman Co.*, 50 Fed. Sup. 123, dated April 20, 1943, and 53 Fed. Sup. 908, dated January 22, 1944.) No appeal was taken. The court's decree contained various provisions designed to prevent the restoration of the monopoly found to be unlawful. It gave the holding company the right to elect which phase of the business would be sold. Under this right of election Pullman, Inc., on September 30, 1944, filed in the court a plan in which it proposed to dispose of the sleeping-car business and to retain the manufacturing business.

The foregoing plan contemplated the formation of a new corporation, The Railway-Pullman Sleeping-Car Co., which would be taken over and operated by the railroads. The initial selling price named for the properties which were definitely to be included in the transfer was \$42,168,551. Certain equipment, however, was later to be added in the event it was not purchased by individual railroads. The value of this property was listed as \$39,156,671. The over-all selling price was, therefore, set at \$81,325,222. The plan embodied details of the financial arrangements. Among other things an offer was made to sell Pullman cars to individual railroads. The court has not yet accepted or rejected this plan. An outstanding order of the court requires Pullman, Inc., to dispose of the capital stock of the Pullman Co. or the physical assets of that company not later than March 22, 1946. Pullman, Inc., has announced that negotiations are being conducted with the railroads and others with a view to the sale of its entire holdings in the Pullman Co.

Four offers to purchase the sleeping-car business of the Pullman Company have been made. Two of these were by firms of investment bankers and associates, one by a company engaged in the manufacture of automobile parts, and one by a group of railroads. Hearings on these offers are to be held by the court in the near future. Some, if not all, of these proposals contemplate eventual replacement of existing heavyweight Pullman cars with lightweight equipment.

According to reliable information which we have received, the Pullman Company at the end of 1944 owned 7,112 sleeping cars, not including troop sleepers. Most of these were heavy-weight cars. The company's equipment was in the following age groups: 31 percent, over 25 years; 18 percent, 21 to 25 years; 28 percent, 16 to 20 years; 6 percent, 11 to 15 years; 6 percent 6 to 10 years; and 11 percent, 1 to 5 years. During the years 1942-44 the Pullman Company did not have any new sleeping cars on order. Since 1929 orders for new equipment have been relatively small.

APPLICABILITY OF RULES FOR EXTENSION OF CREDIT FOR FREIGHT TO WAR PLANT OPERATORS

During 1944 and the early part of 1945, we received several requests for an informal determination of the question whether the provisions of section 3 (2) of the Interstate Commerce Act applied to the extension of credit for freight charges on war materials shipped to private companies for use in performing contractors' obligations under cost-plus-a-fixed-fee contracts with the United States Government. Upon examination of the question, division 2 informally held that, when the company involved is devoted exclusively to work under contract with the United States Government, the transportation performed might be considered as within the scope of the proviso to section 3 (2) of the act exempting transportation "for the United States, [or] for any department, bureau, or agency thereof," and that accordingly our credit regulations prescribed under that section had no application to such traffic.

Some difficulty was experienced in applying the interpretation to various situations, including those involving a similar exemption of Government traffic contained in section 22 (1). As the soundness of this interpretation was questioned, we requested the President to obtain the opinion of the Attorney General. Under date of May 15, 1945, the Attorney General in response held in substance that in the case of a contractor who is exclusively engaged in work covered by cost-plus-a-fixed-fee contracts with the United States of the type described in some detail in the opinion, where freight destined to the contractor is transported on a Government bill of lading, or where such freight is transported on a commercial bill of lading and the Government accepts title to the freight, such freight may properly be regarded as "transported for the United States" within the meaning of these words in section 3 (2).

PROTECTIVE SERVICE AND CAR OWNING COMPANIES

A report covering our extensive investigation of the charges for protective service against cold for perishable freight was issued on April 2, 1945. Reasonable charges, rules, and practices for the future were prescribed. Our findings, in general, were promptly complied with by the carriers, except as to the establishment of a form of protective service for certain shipments of apples and pears based upon the temperature inside of the car instead of upon outside weather conditions, and except as to the establishment by eastern carriers of a form of service long sought by shippers under which the carriers would assume the initiative in protecting perishable shipments against cold. At the present time, protective service on eastern lines is furnished only at the specific direction of the shipper. In order to

assure protection for his perishable traffic, a shipper must assume the burden of keeping himself continually informed of the location of cars carrying his shipments and of the weather conditions throughout the territory of movement. Further action with a view to correcting this situation is contemplated.

In earlier reports we have stated that owing to the abnormal conditions caused by the war we had not yet instituted action for the development of data upon which to base rules, regulations, and practices with respect to the compensation to be paid and other terms of contracts, agreements, or arrangements for the use of locomotives, cars, or other vehicles not owned by the carrier using them, as contemplated by section 1 (14) (a) of the Interstate Commerce Act as amended by the Transportation Act of 1940. The abnormal conditions still prevail. Informal inquiry has disclosed the fact that the cost of building and maintaining refrigerator cars is now greatly in excess of the cost obtaining before the war. Doubtless the same condition obtains as to tanks cars. Cars of these classes are widely used by carriers not owning them. In the circumstances it is considered advisable to postpone the contemplated investigation for a further period.

Since our last report we have considered and approved 14 contracts or agreements between common carriers by railroad and other persons for the furnishing to or on behalf of such carriers of protective service against heat or cold to property transported or to be transported in interstate or foreign commerce, in accordance with the provisions of section 1 (14) (b) of the Interstate Commerce Act as amended by the Transportation Act of 1940.

ACCIDENTS

RAIL

The effect of the movement of the heaviest traffic in the history of the Nation's railroads and the loss of experienced personnel to the armed forces and war industries is strongly reflected in the number of casualties resulting from railroad accidents in the years 1941-45. In accidents involving train operation (train and train service accidents), the number of persons killed rose from a total of 4,444 in 1940 to a peak of 5,003 in 1942, and declined thereafter to 4,528 in 1944, 1.89 percent above the 1940 level. The number of persons injured increased each year from 17,558 in 1940 to a peak of 35,099 in 1944, or 99.90 percent above the 1940 total.

A comparison for the period January-June 1945, with the first 6 months of 1944 reveals an increase in 1945, although relatively small, in both killed and injured, the percentages being 0.99 and 4.26,

respectively. The following statement analyzes the casualties during these two 6-month periods by classes of persons:

Class of person	Six months, January-June						Twelve months, January-December ¹	
	Number of persons killed			Number of persons injured			Percent increase, 1944 over 1940	
	1945 ²	1944	Percent increase	1945 ²	1944	Percent increase	Persons killed	Persons injured
Trespassers.....	750	683	9.81	565	543	4.05	3 26.91	3 45.67
Employees on duty.....	454	512	3 11.33	23,506	22,603	4.00	89.05	204.25
Passengers on trains.....	51	37	37.84	2,035	1,970	3.30	218.67	85.69
Travelers not on trains.....	5	6	3 16.67	565	522	8.24	100.00	130.00
Others (chiefly persons at grade crossings).....	991	991	-----	3,546	3,343	6.07	1.26	3 2.84
All classes.....	2,251	2,229	0.99	30,217	28,981	4.26	1.89	99.90

¹ For basic data, see table E, appendix C.

² Includes preliminary figures for June.

³ Decrease.

In the year ended June 30, 1945, there were 410 accidents in connection with steam locomotives, in which 20 persons were killed and 429 injured, as compared with 403 accidents, in which 25 persons were killed and 466 injured, in the preceding year. In connection with locomotives other than steam, there were 29 accidents, in which 1 person was killed and 40 injured. The corresponding figures for the preceding year were 17 accidents, none killed, and 23 persons injured. The totals with respect to accidents of this nature were, for 1945, 439 accidents, 21 persons killed and 469 injured, and for 1944, 420 accidents, 25 persons killed and 489 injured.

Notwithstanding the termination of hostilities abroad, wartime traffic conditions still prevail on railroads in the United States, and doubtless will continue for a considerable period. The movement by railroad of military equipment and supplies, materials for war plants, and petroleum and its products from oil fields to refineries and distribution centers, has been materially reduced, but heavy passenger traffic and other conditions which contributed to the sustained increase in accidents during the war period remain practically unchanged. Locomotives and cars have been intensively used for another year. Repairs to locomotives and cars have been retarded due to shortages of materials and manpower and the need for the maximum practicable use of all such equipment capable of rendering service. There is a large volume of deferred heavy repair work which will have to be performed in the coming months if the older locomotives and cars now in service are to be continued in use. Shortages of employees, particularly train-service employees, operators, dispatchers, skilled mechanics and repairmen, are still being reported. Substantial reduction in the railroad accident record cannot reasonably be expected until there is improvement in respect to the foregoing.

Last year we stated that wartime restrictions upon the use of materials and shortages of skilled employees were seriously interfering with the installation of railroad safety devices and systems, as well as with improvement programs which were in progress at the outbreak of the war. As yet there has been little change in these conditions. As restrictions are removed and employees become available, the interrupted improvement programs should be resumed by the railroads, and installations of safety devices and systems, shown to be needed as a result of inadequacies of present installations, should be promptly undertaken. Installations of such devices and systems should also be made on lines not now so equipped, where there is need for additional safeguards.

In several instances our accident investigation reports have directed attention to the need of corrective measures. In some we have issued orders requiring additional installations; in others we have made recommendations which have been adopted by the carriers.

MOTOR

The number of accidents reported to us in 1944 was about 8 percent greater than it was in 1943 (9,672 in 1944 compared with 8,946 in 1943.) The number of fatalities reported increased about 7 percent in the same period (1,133 in 1944 and 1,056 in 1943). The number of reported injuries, however, increased nearly 25 percent (12,921 in 1944 and 10,461 in 1943). The amount of reported property damage was nearly 15 percent greater in 1944 than in 1943 (\$10,419,849 in 1944 and \$9,134,301 in 1943).

To some extent the increases shown above reflect a better understanding of reporting requirements on the part of motor carriers aided by the efforts of the field staff of our Bureau of Motor Carriers. This is particularly true with respect to accidents which resulted in minor injuries to persons or property damage, as accidents of this kind were formerly not generally considered reportable. In addition, there was a considerable number of accidents involving the loading and unloading of vehicles. Accidents of this kind formerly were not generally reported.

The continuing mechanical deterioration of motor vehicles is shown by the fact that accidents due to mechanical defects in 1944 were 12 percent of the total, compared with 10 percent in 1943. The most important items in this category were failures in brakes and tires, which were relatively more numerous in 1944 than they were in prior years due in part to inferior tires and heavier loading of vehicles. The ratio of reported accidents caused by tire blow-outs on vehicles equipped with synthetic rubber tires was twice as great as that for vehicles with tires of natural rubber.

Despite the heavy movement of explosives and other dangerous

articles, there were no serious accidents in the transportation of these articles in 1944.

While accidents caused by fire were more numerous in 1944 than in 1943, the rate of increase was lower than it was in prior years, and the trend in fatalities in such accidents was downward, although the number of injuries therefrom was greater. Property damage from such accidents increased substantially in 1944 compared with 1943 but less sharply than in prior years. The amount of property damage per fire-accident was lower in 1944 than in 1943, reversing the previous trend.

ELECTRONICS IN TRANSPORTATION

Important developments in the application and use of electronic devices during the war have stimulated study and experiments to determine the manner and extent to which such devices can be utilized on railroads. Prior to the war, considerable progress had been made in their development for certain railroad purposes, notably the use of electron tubes in automatic train-control and cab-signal devices and, in connection with carrier currents superimposed on wires carrying other circuits, for extending the limits and increasing the capacity of such wires for communication, centralized traffic control, and signal systems.

Several experiments have been made with train communication by telephone between wayside stations and trains, or between the engine and a car in the same train, or between the engine or a car in one train and the engine or a car in another train, or some combination of these services. Some of these communication systems are of the inductive type and do not require the use of a wave band; others employ space radio principles based on frequency modulation, channels for which have been allocated for railroad use by the Federal Communications Commission, and still others are a combination of the two. A number of installations are now in service in railroad yards and terminals which provide means of communication between yard offices and engines used in switching service whereby instructions concerning switching operations can be given and reports received promptly. A train communication system has been in service since June 1942 on the Belvidere branch of the Pennsylvania Railroad. The equipment of this system is installed in 1 wayside station at Frenchtown, N. J., and on 10 engines and 10 cabooses. The system is used in connection with trains operated between Trenton, N. J., and Phillipsburg, N. J., a distance of 50 miles, and communication may be had between the station at Frenchtown and trains, between the engine and caboose of a train, and between trains. A number of other railroads have conducted experiments on various parts of their lines for the purpose of determining the practicability of train communication, and have indicated their intention of proceeding to make

service installations as soon as the necessary apparatus becomes available.

Three applications have been filed under the provisions of section 25 of the Interstate Commerce Act for approval by us of proposed installations of train communication systems, one by the Pennsylvania Railroad, one by the Atlantic Coast Line Railroad, and the other by the Missouri Pacific Railroad. The proposed installations of the Pennsylvania and Atlantic Coast Line are of the inductive type and that of the Missouri Pacific a combination of the inductive and space-radio types.

The Pennsylvania proposes to install equipment on 300 locomotives for passenger and freight service, on 90 cabin cars for freight service, and at 6 block and interlocking stations between Harrisburg, Pa., and Pittsburgh Pa., and between Petersburg, Pa., and Altoona, Pa. Operation will be on a total of 284.4 miles of railroad line.

The Atlantic Coast Line proposes to equip 20 locomotives for freight and passenger service, 14 cabin cars for freight service, and 4 dispatchers' offices between Rocky Mount, N. C., and Wilmington, N. C., and between Wilmington, N. C., and Florence, S. C. Operation will be on a total of 234 miles of railroad line. It also proposes to equip 9 switching locomotives and 2 yardmasters' offices at its South Rocky Mount yards.

The Missouri Pacific proposes to equip 15 locomotives, 15 cabooses and 7 wayside stations, and to operate its system between McGehee, Ark., and Alexandria, La., a distance of 193.29 miles.

These three applications have been approved⁵ upon condition that (1) the train communication system shall be supplementary to and not supplant any of applicant's existing signal systems or other systems, devices, or appliances intended to promote the safety of railroad operation; (2) the train communication system shall be installed, inspected, maintained, and repaired in accordance with rules, standards, and instructions prescribed by our order dated April 13, 1939, insofar as same are applicable; (3) there shall be no material change in the method of operation of trains, signal systems of interlocking installations on the portion of the line involved until such change has been approved by us; and (4) we may revise, amend, or modify any of the foregoing conditions or the rules, standards, and instructions for the installation, inspection, maintenance, and repair of the train communication system. None of these installations has been completed.

It is essential that any system of train communication shall be reliable. It is important, therefore, that high standards be established in construction of parts, and in installation and maintenance. Dur-

⁵ Missouri Pacific application approved November 6, 1945.

ing the war, standards were established for materials and component parts by the Army-Navy Electronics Standards Agency. These or equal standards should be required in railroad installations.

Improvement in railroad operation by the use of train communication systems is indicated. However, there are limitations as to distances within which communication can be maintained, and their reliability under adverse weather and climatic conditions, and when interference may be encountered if parallel, crossing, or converging lines are equipped with these systems, has not yet been fully determined. The practical use of such systems to increase safety of railroad operation is to some extent now in the experimental and development stage.

The Federal Communications Commission has allocated frequencies for radio communication systems used in connection with the operation of busses and trucks, and some trials of such systems have been made.

LAWS RELATING TO RAILROAD LABOR

As shown in our annual reports of previous years, the Railway Labor Act, the Railroad Retirement Act, the Railroad Unemployment Insurance Act, and the Carriers Taxing Act of 1937, as amended or superseded by section 1532 (a) of subchapter B of chapter 9 of the Internal Revenue Code, authorize us, under certain conditions, to determine whether any line operated by electric power falls within the terms of the provisos of those statutes exempting street, inter-urban, or suburban electric railways therefrom. Accordingly, during the current year, as the result of petitions filed with us by interested parties, we held hearings and found that the following did not fall within the terms of the exemption provisions:

The North Tonawanda-Lockport-Olcott freight division and the Buffalo-Lockport-Olcott division of the International Railway Company.

The Gulfport and Mississippi Coast Traction Company.

The electric railway of the Alabama Power Company.

The Railway Labor Act also authorizes us to amend or interpret our orders defining the work of employees and subordinate officials of common carriers by railroad. Since our last report, petitions have been received from interested parties with respect to the following:

Special agents, money guards, train riders, head watchmen, assistant head watchmen, yard watchmen, head guards, and guards of the Union Pacific Railroad Company.

Special agent, depot watchmen, freight-house watchmen, yard watchmen, reservoir watchmen, and guards of the Ogden Union Railway & Depot Company.

Supervisors of car cleaning and car repair and shop foremen or supervisors of the Western Fruit Express Company, Burlington Refrigerator Express Company, and Fruit Growers Express Company.

Roadmasters of the St. Louis-San Francisco Railway Company (Frank A. Thompson, trustee).

Station masters and assistant station masters of the Nashville Terminals, operated jointly by the Louisville and Nashville Railroad Company and Nashville, Chattanooga & St. Louis Railway Company at Nashville, Tenn.

General roadmasters, district roadmasters, general track foremen, supervisors, assistant supervisors, general bridge and building foremen, general water service foremen, signal supervisors, assistant signal supervisors, general signal foremen, and supervisors of telegraph lines of the Union Pacific Railroad Company.

Orderlies, yardmen, and dishwashers of the Texas and Pacific Railway Company Employees Hospital Association at Marshall, Tex.

We have held hearings in the foregoing first four proceedings, and have found that our outstanding orders should be amended to include the work of the employees and subordinate officials named in the first and second of these proceedings, and that those orders already define the work of the employees and subordinate officials of the third and fourth of these proceedings. Hearings have also been held in the fifth and sixth of these proceedings, a proposed report now being prepared by our examiner in the former, and a proposed report having been served on the parties in the latter, proceeding. At the request of the petitioner, and for good cause shown, the last named of these proceedings has been discontinued.

In our report for 1944 we referred to the then pending appeal to the United States Court of Appeals for the District of Columbia with respect to the decision of the United States District Court for the District of Columbia sustaining our findings in *Nevada N. Ry. Co. Employees—Railway Labor Act*, 255 I. C. C. 419. The appellate court affirmed the decision of the lower court, and writ of certiorari was denied by the United States Supreme Court. There has thus been established the principle that we do not have jurisdiction in a given case to determine who is the employer, within the meaning of the Railway Labor Act, of employees and subordinate officials, our authority being limited, by the terms of the statute, to amend or interpret our existing orders defining the work of employees and subordinate officials. A summary of the proceeding in the case just cited appears hereinafter in the chapter pertaining to the activities of the Bureau of Law.

STANDARD-TIME ZONE INVESTIGATION

By Public Law 187 of the Seventy-ninth Congress, first session, approved September 25, 1945, national daylight-saving time, popularly known as war time, provided by the act of January 20, 1942, 56 Stat. L. 9, was terminated and the standard time of each zone was restored, effective at 2 o'clock antemeridian on September 30, 1945. Thus ended the second experience of the country under national daylight-saving time, extending from February 9, 1942, to September 30, 1945, a period of 3 years, 7 months, and 21 days.

The only other observance of national daylight-saving time was brought about by the original section 3 of the Standard Time Act, 40 Stat. L. 451, under which the standard time of each zone was advanced 1 hour on the last Sunday of March and retarded 1 hour on the last Sunday in October. This feature of the original act was observed for only two seasons, 1918 and 1919, and was repealed over the President's veto in 1919.

Although the recent period of wartime daylight saving was terminated only a few weeks ago, at a season when the disadvantages of the faster standards of time are aggravated by the declining length of the daylight periods, we have already received requests from communities in the eastern parts of the central and mountain zones for modifications of the zone boundaries so as to include those areas in the zone to the east. These petitions have come from western Kansas and western Arizona. The effect of the modifications sought would be to continue for the areas affected the advanced standards of time to which they have become accustomed during the war. In fact, according to one of the petitions, some communities in western Kansas, long embraced in the mountain zone, have retained the advanced standard, which is equivalent to United States standard central time.

It is likely that the coming spring will bring a recurrence of the prewar confusion and inconvenience attending the annual shift of individual States and municipalities to the usual daylight saving during the warmer months. There is a possibility that this practice may become even more widespread than in the past.

For the past several years we have directed attention to the limited scope of the Standard Time Act, as interpreted by the United States Supreme Court in *Massachusetts State Grange v. Benton*, 272 U. S. 525, and have recommended additional legislation. We renew our previous recommendation that Congress completely occupy the field and prescribe a standard of time which shall be the exclusive measure of time for all purposes.

No change has been made in the standard-time zone boundaries since 1941, and our outstanding orders in this investigation have not been modified since 1943.

WORK OF THE LEGISLATIVE COMMITTEE

During the period covered by this report and since the opening of the first session of the Seventy-ninth Congress, 60 reports on bills or resolutions were submitted on behalf of our Legislative Committee or the Commission. These reports were directed to the chairman of the Senate or House committee from which came the request for the reports, and contained criticisms, suggestions, and recommendations in regard to the bill or resolution in question.

Much thought has been given to proposed legislation, and various proposals have been made which would affect carriers of freight and passengers, the users of, employees of, and the investors in, such carriers.

A few of the bills submitted to us have been directed to matters beyond the scope of our experience and official knowledge; some, if enacted, would have the Congress itself determine issues which have been referred to the Commission by the provisions of the Interstate Commerce Act; and others were declarations, in some instances, admonishing the Commission, and in others defining a period of time within which action called for should be taken. On such bills, the Commission either made no recommendation or requested that no action be taken by the Congress until after further developments.

S. 7 and H. R. 1203, "To improve the administration of justice by prescribing fair administrative procedure" would provide a uniform procedure before all Government agencies. We have urged that the Interstate Commerce Commission be exempted from these bills for the reason that the Congress has already worked out and provided from time to time by statute the procedure of the Interstate Commerce Commission. These statutes have been construed by the Supreme Court and the Commission's procedure is well understood and we believe satisfactory. We are convinced that the proposed procedure provided for in S. 7 and H. R. 1203, if applied to the Interstate Commerce Commission, would accomplish no good purpose and would make for unnecessary confusion, uncertainty, and expense in the administration of the Interstate Commerce Act.

There were a number of bills introduced during the past year which, in our opinion, if enacted, would be in the public interest. After careful consideration, we made favorable comments and recommendations on the following: S. 336, "To amend section 5 of the Interstate Commerce Act, as amended, with respect to the pooling and division of certain revenues of carriers subject to such Act"; S. 356, "To amend part II of the Interstate Commerce Act, as amended, so as to provide a limitation on the time within which actions may be brought for the recovery of undercharges and overcharges by or against common carriers by motor vehicle"; S. 46, "To amend the Locomotive Inspection Act of February 17, 1911, as amended; to provide for the

appointment of five additional inspectors, and to provide for adjustments in salaries"; S. 47, "To amend the Interstate Commerce Act, as amended" (proposing amendments to the Interstate Commerce Act of a miscellaneous and noncontroversial nature); H. Res. 13, "Authorizing an investigation by the Committee on Interstate and Foreign Commerce of the practice of purchasing tickets for railroad, Pullman, and other transportation for purposes of resale"; H. R. 2282, "To repeal section 3 of the Standard Time Act of March 19, 1918, as amended, relating to the placing of a certain portion of the State of Idaho in the third time zone"; H. R. 2382, "To amend the Transportation of Explosives Act, with respect to quantity of explosives which may be transported under specified conditions"; H. R. 2536, "To amend the Interstate Commerce Act with respect to certain agreements between carriers"; S. 798, "To amend the Interstate Commerce Act so as to increase the period of limitations on actions against railroad carriers for recovery of overcharges and to authorize making of reparation awards against motor carriers subject to the provisions of part II of such Act"; H. R. 2357, "To amend an Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914 (38 Stat. 730), as amended"; S. 864, "To amend the Interstate Commerce Act, as amended" (with reference to the period of limitations for reparations); S. J. Res. 69, "To provide for the preparation and publication as an official document of railroad cost scales or tables and related information"; S. 1213, "Relating to the sale of passenger transportation accommodations"; H. R. 3747, "To amend the Interstate Commerce Act, and for other purposes" (relating to black market operations in passenger reservations); S. 1290, "To amend the Transportation of Explosives Act"; S. 1291, "To amend the Interstate Commerce Act, as amended" (proposing miscellaneous amendments recommended in our last annual report); S. 1120, "To provide for the reorganization of Government agencies, and for other purposes"; S. 1453, "To amend an Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and Acts amendatory thereof and supplementary thereto" (extending the termination of the statute to November 1, 1950); S. 1253, "To amend the Interstate Commerce Act, as amended, and for other purposes" (providing for voluntary reorganization.)

On February 15, 1945, the Senate Committee on Interstate Commerce reported out S. 46, "To amend the Locomotive Inspection Act of February 17, 1911, to provide for the appointment of five additional inspectors and to provide for adjustments in salaries," and February 17, 1945, on S. 47, "To amend the Interstate Commerce Act, as amended" (pertaining to certain miscellaneous and noncontro-

versial matters). On March 15, 1945, S. 46 was passed by the Senate. S. 47 is pending in the Senate. It would make effective recommendations which we have made from time to time, to wit:

1. That the express companies be brought under paragraph (2) of section 3 as to the period within which charges shall be collected.

2. That paragraphs (6) and (7) of section 20 requiring reports from private car companies be clarified.

3. Paragraph (5) of section 16, subsection (a) of section 221 and subsection (a) of section 315 be amended so as to simplify and make less expensive the service of orders of the Commission on respondents in suspension proceedings.

S. 1291, "To amend the Interstate Commerce Act, as amended" would also make effective earlier recommendations of the Commission. Whereas the amendments proposed in S. 47 we have not regarded as being controversial, we believe that some of the amendments contained in S. 1291 would be opposed.

H. R. 694, "To amend section 321, title III, part II, of the Transportation Act of 1940, with respect to movement of Government traffic" (the bill repealing the so-called land-grant rates), passed the House on May 4, 1945, and was favorably reported to the Senate Committee on Interstate Commerce on July 28, 1945; with amendments it passed the Senate on October 4, 1945.⁶

A subcommittee of the Committee on Interstate and Foreign Commerce began hearings on October 9, 1945, on H. R. 2536, "To amend the Interstate Commerce Act with respect to certain agreements between carriers," introduced by Representative Bulwinkle. We have recommended that contract carriers be included along with common carriers, and that the Commission shall be required to find the agreement is appropriate to the proper performance by the carriers of service to the public and consistent with the public interest and the National Transportation Policy declared in the Interstate Commerce Act and that the agreement will not unduly restrain competition. We further recommended that the Commission be authorized to require reports from and to examine the books and records of companies parties to any agreement which might be filed with the Commission.

The exemption granted freight forwarders by an amendment to section 409 of part IV of the Interstate Commerce Act of 1942 expires February 9, 1946. This extension was made by the Congress in order to give time for proper consideration of proposed amendments to sections 408 and 409 of part IV of the Act.

On October 2, 1945, the Committee on Interstate Commerce of the Senate favorably reported S. 356 and S. 432, amended so as to make uniform parts I, II, III, and IV for the period within which claims for undercharges and overcharges may be made and fixing three years as the statutory period under each part of the Act.

⁶It has since been finally passed and approved by the President.

On July 12, 1945, Congressman Lea introduced H. Res. 318, "To authorize the investigation of the transportation situation," and on July 31, 1945, the Senate Committee on Interstate Commerce favorably reported S. Res. 161, "Authorizing the investigation of all means of interstate and foreign transportation." These two resolutions are identical in language. The Committee on Interstate and Foreign Commerce has sent out notices and a questionnaire inviting discussions and submission of data. It is understood that many responses have been promised. This review by the committees of the Senate and House of the prospects and problems of our domestic transportation is altogether timely, and we believe that it will contribute to better understanding of what should and should not be done through legislation in the furtherance of the National Transportation Policy. After analyses have been made to the responses to S. Res. 161 and H. Res. 318, we shall have some comments and perhaps some recommendations covering postwar conditions and developments.

ADMISSIONS TO PRACTICE

From 1938 until the beginning of the period covered by this report there was a continuing decline in the number of persons admitted to practice before the Commission. During the year covered herein, ended October 15, 1945, 503 applicants were admitted. This number was less than in any year from 1936 to 1942, but was a substantial increase over the years ended October 15, 1943, and 1944, respectively. Of persons admitted in the current period, 351, or 70 percent of the total number, were attorneys, and 152, or 30 percent, were not attorneys. The number of attorneys admitted slightly exceeded that for either of the two preceding years, but the number of nonlawyers admitted was greater than in any year since 1938, when we first required applicants who are not members of the bars of the highest Federal or State courts to pass a qualifying examination. The proportion of nonlawyers of the total admitted for the year was much greater than in any year since 1935.

On October 15, 1930, after our bar had been in existence a little over a year, about two-fifths of the members were lawyers. Since the initial period the proportion of lawyers has steadily increased until now more than 70 percent are lawyers. Altogether, 15,793 persons have been admitted to practice, of whom 71.7 percent were lawyers, and 28.3 percent were not members of the bar of the highest court of any jurisdiction.

During the current annual period, we conducted two examinations of nonlawyer applicants. The returns for the latest examination are not yet available. During the current period we completed the grading of the papers from two examinations, one of which was held just before the close of the period covered by our last annual report.

In the two examinations for which the returns were completed during the current period, 175 applicants were examined, of whom 152, or 86.9 percent, were successful.

BUREAU OF ACCOUNTS

The activities of the Bureau during the year have continued under a shortened procedure directed at matters of the most immediate importance with a view to improving the techniques of carrier accounting. This method was designed and made effective during the year 1943 after the heavy reduction in personnel occasioned by transfers to war agencies. It is proving to be both efficient and economical.

During the year covered by this report the Bureau has completed 874 general and special investigations of the accounts and records of transportation agencies subject to our jurisdiction, leaving 29 in progress.

One hundred and four orders were issued, 9 relating to accounts of steam railroads, 2 to water carriers, 1 each to electric and pipe lines, and 91 pertaining to depreciation accounts of railroads, pipe lines, water carriers, and an express company.

Complete revisions of the regulations governing the destruction of records of both steam railroads and water carriers were made during the year. Similar revisions are being processed for electric lines and express companies. Revision of the uniform system of accounts for water carriers, separating them between inland and coastal water carriers is in the course of preparation. The third draft of proposed extensive modifications of the uniform system of accounts for electric railways was issued. The effective date of the tentative draft of a uniform system of accounts for persons furnishing cars or protective service was deferred until January 1, 1947. The formulation of a uniform system of accounts for joint terminal companies, intended to be made effective January 1, 1947, is under way.

BUREAU OF FINANCE

Certificates of convenience and necessity, acquisition of control, et cetera.—During the year ended October 31, 1945, 45 applications were filed for permission to abandon about 606 miles of railroad, and 68 miles of operations under trackage rights. The proceedings in which we rendered 58 decisions involved the proposed abandonment of about 864 miles of railroad, and 60 miles of operations. In 36 of those proceedings, involving 267 miles of railroad, and 48 miles of operations, no protests or objections were filed by shippers or public authorities. Protests were filed, and hearings held, in 18 cases, involving 597 miles of track, and 12 miles of operations. Of the applications protested, we denied, in whole or in part, those involving 124 miles of lines and authorized the abandonment of the remaining 473 miles of

lines and 12 miles of operations. We granted, in whole or in part 4 applications involving 71 miles of main lines for which substitute lines were built, 36 applications, involving 448 miles of branch lines of class I carriers, and 19 miles of trackage rights, and 263 miles of so-called short lines. Of the short-line mileage, 141 miles were abandonments as to interstate and foreign commerce of the entire lines of the applicants, 80 were portions of such lines, and 41 were operations under trackage rights. In proceedings in which certificates were issued, covering 400 miles of road, the estimates of average annual losses from continued operation or of future annual savings resulting from abandonment amounted to \$491,883. In proceedings covering the remaining mileage, estimates of losses or savings were not given. Mileage and losses in abandonments of lines on which no service has been rendered in recent years because of the absence of traffic, have not been included.

It has been shown in certain cases that the necessary cost of rehabilitation or of bringing up deferred maintenance of tracks which were permitted to be abandoned, aggregating about 227 miles, would require an expenditure estimated at \$600,000. Since this amount would necessarily be expended in order to continue operation, abandonment would result in a saving which to that extent can, with reasonable accuracy, be estimated in advance.

Corresponding data are given in our reports beginning with the report for 1934.

In appendix D, we have listed the certificates issued, authorizations granted, and pertinent data with respect to proceedings involving the abandonment, construction, and acquisition and operation of lines of railroads under section 1 (18) of the Interstate Commerce Act; and consolidation and mergers of carriers, purchases, leases, and contracts to operate properties of carriers by other carriers, acquisition of control through ownership of stock, or otherwise, of carriers by other carriers, or by persons not carriers, acquisition by carriers of trackage rights over, or joint ownership or use of, railroad lines and terminals of other carriers, under section 5 (2) of the act.

In two cases we authorized transfers of certificates of water carriers under section 312 of the act.

Controlling persons.—We authorized the Alleghany Corporation to acquire control, through ownership of stock, of the Chesapeake & Ohio Railway Co., the New York, Chicago & St. Louis Railroad Co., and the Pere Marquette Railroad Co., and the subsidiaries and affiliates, upon conditions (1) that the Alleghany and Chesapeake & Ohio deposit their holdings of stock in the Pittston Company, a coal company, with the Empire Trust Co., as independent voting trustee, (2) that Alleghany and Chesapeake & Ohio deposit with the Chase National Bank of New York, as independent voting trustee, all voting stocks of

carrier corporations subject to our jurisdiction not at present affiliated with the Chesapeake & Ohio system, whether then owned or thereafter acquired by either of them, except Alleghany's holdings of stock of the Missouri Pacific Railroad Co. which is now in reorganization under section 77 of the Bankruptcy Act, and (3) that all existing interlocking directorates as between the Alleghany, the Chesapeake & Ohio, or its affiliated companies, on the one hand, and the Pittston, on the other, be eliminated, and that no such relationships be entered into thereafter. We held that the Alleghany should be considered as a carrier subject to the provisions of section 20 (1) to (10) and section 20a (2) to (11) of the Act, relating to reports, accounting, and the issuance of securities. See *Chesapeake & Ohio Ry. Co. Purchase*, 261 I. C. C. 239.

In *Jamestown, W. & N. W. R. Co. Control*, 261 I. C. C. —, we authorized four individuals to acquire control of the carrier named and two other short lines, all in the State of New York. Under section 5 (3) of the act, we retained jurisdiction to require the individuals, or any one of them, to make such special reports as we may hereafter require under section 20 (1) and (2) of the act, concerning their joint or individual interests in corporations or carriers subject to our jurisdiction.

In *Barre & Chelsea R. Co. Purchase*, Finance Docket No. 14773, 257 I. C. C. 817, among other things, we authorized an individual who owned a majority of the capital stock of the Barre & Chelsea company to acquire control of the property and franchises of the Montpelier & Wells River Railroad. We concluded that the circumstances present in that case did not warrant exercise of our authority under section 5 (3) of the act.

In *Shaver Forwarding Co. Purchase*, 260 I. C. C. 479, it appeared that, because of the interlocking relationships of Youell, Inc., and Peerless, Inc., holding companies, with water carriers and motor carriers, the holding companies were the real parties in interest. We authorized the Shaver Company, and through it, the holding companies to purchase the properties of a partnership doing business as the Tidewater Transportation Company, a water carrier. We held that the holding companies, to the extent of their transportation interests, should be considered carriers subject to section 204 (a) (1) and (2), sections 220 and 313 of the act, relating to the filing of reports and accounting under our rules applicable to motor and water carriers, but deemed it was not necessary that these holding companies be considered as carriers subject to section 214, which relates to the issuance of securities by motor carriers.

Railway employees.—In all proceedings initiated by railroads under section 5 (2) of the act, it is necessary for us to consider the imposition of conditions to provide protection for any employees who may be adversely affected. In cases in which it has not been possible to

determine at the time of our decision whether any employees might be so affected, we have specifically reserved jurisdiction to make additional findings and impose such terms and conditions as to employment as may be required by law, if upon petition by the employees or their representatives it is made to appear that their employment or interests will be adversely affected by anything subsequently done pursuant to, or as a result of, the authorizations granted. Paragraph (f) of section 5 (2) provides that notwithstanding any other provisions of the act, carriers and representatives of employees may enter into agreements for the protection of the interests of the employees. In *Burlington-Rock Island R. Co. Lease*, F. D. 14400, 261 I. C. C. —, and in *Gulf, Mobile & Ohio R. Co. Purchase*, Finance Docket No. 14931, 261 I. C. C. —, we prescribed the conditions for the protection of employees agreed upon between the carriers and representatives of the employees.

As stated in our last report, the United States Supreme Court in *Interstate Commerce Commission v. Railway Labor Executives' Assn.*, 315 U. S. 373, held that we have authority to impose conditions for the protection of employees adversely affected by railroad abandonments, and indicated that whether such conditions should be attached and, if so, their nature and extent are matters for us to determine in the light of the evidence. In *Chicago, B. & Q. R. Co. Abandonment*, 257 I. C. C. 700, involving abandonment of a portion of a branch line, we imposed conditions for the protection of employees who may be adversely affected similar to the conditions prescribed in *Oklahoma Ry. Co. Trustees Abandonment*, 257 I. C. C. 177, which case involved abandonment and transactions under section 5 (2) of the act. The nature of those conditions was explained in our last annual report. Since our decision in *Chicago, B. & Q. R. Co. Abandonment*, *supra*, we have imposed similar conditions in cases of the same character, involving abandonment of branch lines. In several cases the circumstances were such that we reserved jurisdiction to consider the question whether conditions should be imposed.

In cases involving the abandonment of the entire line, or system, of railroad companies, we have declined to impose conditions for the protection of employees.

Interlocking directorates.—During the period covered by this report, we received 187 applications from individuals and 1 from a carrier. Disposition was made of 188 applications, of which 179 were granted, and 9 were withdrawn.

RECONSTRUCTION FINANCE CORPORATION ACT

Since our last report, we modified, so as to reduce, the amount of one loan previously approved by us, and later, upon the applicant's request, revoked our approval of the loan. In another case we modi-

fied a prior report so as to permit the borrower to use a dividend it had received from a motor company subsidiary whose stock was pledged with the Finance Corporation, to purchase stock of another motor subsidiary to enable the latter to purchase necessary equipment, provided that the stock acquired was deposited with the Finance Corporation as additional collateral. We also approved the acquisition of \$1,695,000 of equipment trust certificates guaranteed by the trustees of the property of a railroad.

In connection with the Baltimore & Ohio plan of adjustment we authorized the acquisition of \$84,563,276 of the railroad company's collateral-trust bonds. This required our certification that on the basis of present and prospective earnings the applicant might reasonably be expected to meet its fixed charges without reduction thereof through judicial reorganization, provided the plan of adjustment became effective. Since the amount of securities thus to be acquired equaled the applicant's obligation to the Reconstruction Finance Corporation under prior financing approved by us, the transaction was in the nature of a refinancing operation.

Issuance of securities and assumption of obligation.—During the year ended October 31, 1945, we authorized, under the provisions of section 20a of the act, the issue of securities for refunding maturing obligations, for refinancing other unmatured securities bearing higher rates of interest, for new money to be used for various corporate purposes, and for the purpose of effecting mergers.

The assumption of obligation and liability in respect of the securities of others, consisting largely of equipment-trust certificates and the securities of subsidiaries, especially those of terminal companies, has been authorized. Several hearings have been held in respect of the various issues and assumptions. The amount of securities involved and the purposes to which applied will be found in appendix D.

BUREAU OF FORMAL CASES

The formal complaints filed numbered 234 of which 207 were original complaints and 27 subnumbers, an increase of 42 as compared with the previous period. We decided 234 cases, and 63 have been dismissed by stipulation or on complainants' request, making a total of 297 cases disposed of, as compared with 305 during the previous period.

Approximately 36 formal and investigation and suspension cases have been reopened for further hearing and reconsideration.

We conducted 395 hearings and took approximately 53,141 pages of testimony, as compared with 405 hearings and 72,825 pages of testimony, during the preceding period.

The following statement shows certain facts with respect to the condition of the docket as of October 31 of the years indicated:

	1942	1943	1944	1945
Formal complaints filed.....	167	137	170	207
Subnumbers.....	21	18	22	27
Investigation and suspension cases instituted.....	93	103	64	41
Cases under submission at end of period:				
Regular docket.....	72	84	56	49
Shortened procedure.....	15	13	18	11
Cases disposed of including subnumbers and reopened cases.....	455	363	332	332
Number of pending cases.....	372	393	378	396
Additional proceedings disposed of by formal reports:				
Fourth-section applications.....	146	45	21	25
Ex parte proceedings.....	9	20	7	19
Railway Labor Act.....	2	5	0	3
Water-carrier applications.....	112	59	30	31
Freight-forwarder applications.....	0	3	25	15

SHORTENED PROCEDURE

Approximately 31 percent of the total number of formal complaints are now handled by the shortened procedure method as compared with 27, 27, and 27 percent during the three preceding years. In the cases so handled and decided during this year, the average elapsed time to reach a decision was 362 days from the receipt of complaint and 216 days from receipt of the final memorandum. The corresponding periods during the three preceding years were 333 and 194 days, 359 and 221 days, and 333 and 183 days, respectively.

BUREAU OF INFORMAL CASES

The number of informal complaints filed under parts I, III, and IV of the act was 979, an increase of 17. The rail carriers filed 1,973 special docket applications for authority to refund accounts collected under the published tariffs and admitted by them to have been unreasonable, a decrease of 173. Orders authorizing refunds were entered in 1,562 cases, a decrease of 239, and reparation thereunder was awarded in the sum of \$1,335,770.29. In addition, 283 cases were dismissed or disposed of without orders. The Bureau also handled approximately 7,200 letters, many of which had the characteristics of informal complaints although not classified as such.

BUREAU OF INQUIRY

Our staff of attorneys and special agents in this Bureau directed and conducted approximately 125 investigations of alleged violations of the criminal provisions of parts I, III, and IV of the Interstate Commerce Act and related statutes. Other investigations were made to obtain information for use in formal-docket cases instituted on our own motion.

Many investigations of complaints concerning alleged violations of the statutes on the part of carriers and shippers failed to disclose

information upon which prosecution or other court action was warranted. A number of others, however, produced evidence to support criminal or civil proceedings against carriers and shippers and their agents.

The information developed in certain instances indicated that shippers of used or defective materials had obtained transportation at less than the published rates. Shipments of iron or steel articles were sometimes described in shipping orders as scrap iron or steel having value only for remelting purposes, when in fact such articles had been sold at prices far in excess of the ceiling prices for ordinary scrap iron and had value for purposes other than remelting. Shipments of used tires and other rubber articles were billed as scrap rubber having value only for reclamation, when the actual value was much higher than the ceiling prices for ordinary scrap rubber, and the contents of the shipments were not intended for reclamation. In other instances, where shippers, either intentionally or otherwise, failed to represent in their shipping orders that the material comprising their shipments had value only for remelting purposes, the railroads nevertheless contributed to a defeat of the lawful rates either by inserting the words "having value only for remelting purposes," or words of like import, in their waybills, or else by applying and collecting the lower rate notwithstanding that the incomplete description furnished by the shippers was also inserted by the carriers in their waybills. Prosecutions based on these practices were instituted during the year against three carriers, two of whom pleaded *nolo contendere* and paid fines aggregating \$15,000, and six shippers, two of whom have paid total fines of \$8,500 upon similar pleas. In a similar case, previously instituted, two individual shippers entered pleas of guilty during the year and paid fines totaling \$5,000.

Instances of the false billing of commodities other than scrap material, which were discovered by our investigations, resulted in the indictment of a corporation shipper and two of its officers in one case, the indictment of an individual shipper in two others, and the filing of an information against a corporation shipper in each of two other cases. Four of these defendants pleaded *nolo contendere* and paid fines aggregating \$3,800, and another was placed on probation for 1 year upon a plea of *nolo contendere*.

Other investigations disclosed that certain carriers had failed to strictly observe their demurrage tariffs. In one instance it was found that a railroad company, while computing charges and rendering bills to a shipper for detention of cars by the latter within its plant, nevertheless failed over a long period either to collect such charges or to take action against the shipper to enforce collection. Prosecution of this carrier resulted in the imposition of a fine of \$2,000 upon a plea of guilty. The information developed in other instances revealed (1)

that a carrier had failed over a period of years to assess charges against an industry for the detention on the carrier's rails of empty cars which the industry had ordered for the loading of its out-bound shipments; (2) that another carrier had failed to charge a shipper for the detention, on the carrier's rails for substantial periods, of loaded cars which the carrier was unable to deliver to the shipper because of congestion on the latter's tracks; and (3) that still another carrier failed to maintain adequate demurrage records from which charges for detention of loaded and empty cars delivered to an industry could be computed. Prosecution of several carriers and one shipper, based on these practices, has been recommended.

Violations of transit tariffs were brought to light during one investigation. Those tariffs afforded to shippers the privilege of having shipments of grain and grain products stopped at certain points for various purposes and subsequently forwarded at through rates published from points of origin to destinations beyond the stop-off points. A shipper from one stop-off point named in the tariffs, by falsely representing that his shipments consisted of grain products which had been transported by railroad to that point, obtained transportation of those shipments at the balance of through rates, instead of at the higher local rates lawfully applicable from the transit point on the actual contents of the shipments. The carriers which accepted these shipments at the stop-off point, and assessed the balance of through rates thereon, violated their tariffs by failing to obtain from the shipper certificates to the effect that the latter was familiar with all of the provisions of the tariffs and was entitled to the privileges named therein on the shipments involved. Under the tariffs, the furnishing of such certificates is a condition precedent to the granting of those privileges.

Two prosecutions based on violations of other transit tariffs were instituted during the year, and disposed of by pleas of *nolo contendere* and the imposition of a fine of \$1,000 in each instance. In one of these cases a rail carrier was charged with having failed strictly to observe the provisions of its tariff naming stop-off privileges on unfinished cotton piece goods; and in the other an individual shipper was indicted for representing to a carrier that shipments of hides had been stopped at a transit point solely to complete loading, when in fact a portion of the shipment had been unloaded at such point. The through rates which were assessed were applicable when the stop-off at the transit point was either to complete loading or to partially unload, but not for both purposes.

Evidence that shippers had furnished to carriers false reports of weights of shipments was developed in other investigations. In one case a shipper was found to have forwarded by express over a period of years a substantial number of small gift packages. In addition to

deceiving the express company concerning the weights of the packages and thereby obtaining transportation at less than the published charges, the shipper defrauded the individuals to whom it sold the packages, and for whom it made the shipments, by collecting from those purchasers larger amounts as express charges than those actually paid to the express company. An information in 25 counts was filed against this shipper.

Other investigations disclosed that carriers and shippers had made and obtained deliveries of notify shipments in violation of rule 7 of the Consolidated Freight Classification. In one instance a railroad company delivered such shipments, in advance of the surrender of bills of lading, without any bond or other security having been posted with it as required by the rule. An information based on this offense was filed against the carrier. In another instance a shipper who had posted a blanket bond with a carrier, and hence, under the rule, was entitled to receive shipments in advance of the surrender of bills of lading provided that such documents were not then available at the bank to which they had been sent with drafts attached, followed the practice of obtaining delivery of shipments under its bond by representing to the carrier that the bills of lading were not available when in fact the shipper had been notified by the bank that the documents were in its possession.

The filing by shippers with carriers of false claims for alleged damage to shipments in transit was indicated by certain investigations; and in one prosecution based on such practice a verdict of guilty was rendered and the defendant corporation placed on probation for 15 months.

Investigations were conducted at a number of points to determine whether carriers were complying with certain of our service orders, issued under the provisions of section 1 (15) of the act, to conserve railway equipment and expedite the movement of traffic. In certain instances violations of orders requiring carriers to divert or reroute traffic were discovered. In other instances it was found that several railroad companies had furnished empty cars to elevators, in disobedience of an order which required that such equipment should be placed for the loading of grain only where written orders therefor were furnished by shippers to the carriers, and certain information concerning their ability to promptly load the cars also was supplied by the shippers. The carriers involved furnished cars without observing either of these requirements.

Confessions of judgment were entered by five carriers upon complaints charging violations of service orders, and penalties aggregating \$3,500 were imposed. In four of these cases the service order prohibited the furnishing of RS-type refrigerator cars for the loading and transportation of beer containers and other articles without permits

issued by the director of our Bureau of Service; and in the other case the order prohibited carriers from transporting, or accepting for transportation, carload shipments of grain and grain products "when consigned to a notify party or to an advise party at a location other than the billed destination of the shipment."

Prosecutions were instituted against six railroad companies for failure to comply with regulations prescribed by us for the transportation of explosives and other dangerous articles under the Transportation of Explosives Act. In four of these cases pleas of guilty have been entered and fines aggregating \$2,700 have been imposed. The other case still is pending. The specific violations of the regulations, for which prosecution already has been recommended, were the placing in freight trains of cars placarded "Explosives" next to cars placarded "Dangerous"; the placing of cars placarded "Explosives" too near the front or rear end of trains; permitting cars placarded "Explosives" to be cut off from other cars in switching operations and to run under their own momentum; failure to retain copies of notices given to train and engine crews of the location of carloads of explosives in trains; and failure to insert on waybills for shipments of explosives a notation such as is prescribed in the regulations.

For violations of the Interstate Commerce Act and related acts, 8 indictments were returned and 17 informations were filed. Twenty-six cases were concluded in the district courts, and resulted in the imposition of penalties totaling \$41,800, all of which was paid. Many of the cases instituted during the year were still pending disposition at the end thereof.

Prosecutions instituted and concluded had their venue in the following states: California, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Louisiana, Maryland, Michigan, Minnesota, Missouri, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Virginia.

A summary (a) of indictments returned and informations filed in the United States district courts, and (b) of cases concluded in those courts, is set forth in appendix A.

BUREAU OF LAW

On October 31, 1944, there were pending in the courts 50 cases involving our orders or requirements. During the year, 42 cases were instituted and 43 were concluded, leaving 49 cases now pending. Of these, 7 are in the Supreme Court of the United States, and 42 are in the district courts of the United States.

Twenty-two cases were submitted and decided in the Supreme Court, 1 was concluded in the Circuit Court of Appeals for the Second Circuit, and 20 were concluded in the district courts. Summaries of all the foregoing cases are shown in appendix B.

The cases decided by the Supreme Court were:

United States v. Pennsylvania R. Co., 323 U. S. 612.

In this case the Supreme Court sustained our order of October 13, 1941, in *Hoboken Mfrs. R. Co. v. Abilene & S. Ry. Co.*, 248 I. C. C. 109, wherein we had prescribed the terms and conditions upon which railroads which participate in through routes with Seatrain Lines, Inc., a common carrier by water, should be required to interchange their cars.

The Court held that our power to require establishment and operation of through rail-water routes empowered us to require a railroad to interchange its cars with a water carrier, although there was no language in the act specifically commanding the carriers to do so. After referring to the national transportation policy, the Court said:

This policy cannot be carried out as to Seatrain's interstate carriage unless railroads interchange their cars with it. The particular type of service introduced by Seatrain, and found by the Commission to be qualitatively superior, cannot be rendered without the privilege of carrying the very railroad cars which carry freight to its ports. The "inherent advantages of this service" would be lost to the public without railroad car interchange. (Id. 617)

The Court also held that Congress had manifested the constantly increasing desire to protect water carriers, and in this connection said:

We cannot agree with the contention that the Commission has less power now to protect water carriers than it had in 1914. The 1940 act was intended, together with the old law, to provide a completely integrated interstate regulatory system over motor, railroad, and water carriers. In the light of its declared policy, and because of its provisions hereafter noted, we think railroads are under a duty to provide interchange of cars with water carriers to the end that interstate commerce may move without interruption or delay. Cf. *Flour City S. S. Co. v. L. V. R. Co.*, 24 I. C. C. 179, 184. (Id. 617)

Ample authority on our part to make the order was found in sections 1 (4), 3 (4), and 15 (3) of the act. The lower court had set our order aside as in excess of our powers, because in the course of its operations between Hoboken, N. J., and Belle Chasse, La., Seatrain went outside the territorial waters of the United States (55 Fed. Supp. 473). Overruling this holding of the lower court, the Supreme Court said:

There is therefore nothing in the Act to deny the Commission the same power over interstate water-rail transportation which passes through foreign waters, as we have just held it enjoys where the transit is wholly within the territorial limits of the United States. We therefore hold that the order of the Commission requiring car interchanges was within its authority as to interstate movements which take place within or without the territorial waters of the United States. (Id. 622)

The next contention made by the railroads was that \$1 per day fixed for car hire while the cars were in the actual possession of Seatrain deprived the carriers of reasonable compensation. The Court stated that after a careful examination of the record, it found sub-

stantial support in the evidence for our finding that the current rate of \$1 per day was sufficient.

Pennsylvania R. Co. v. United States, 323 U. S. 588.

This case involved the validity of our order of March 18, 1943, in *D. A. Stickell & Sons, Inc., v. Alton R. Co.*, 255 I. C. C. 333, wherein we prescribed through routes from St. Louis, Mo., Chicago, Ill., and other points in central territory via Hagerstown, Md., to destinations on the Pennsylvania Railroad east of York, Pa., and Fulton Junction, Baltimore, Md. The case turned upon the construction of the exception contained in section 15 (4) (b) prohibiting us from short hauling a carrier in establishing through routes "unless the Commission finds that the through route proposed to be established is needed in order to provide adequate, and more efficient or more economic, transportation: * * *." The Court sustained our judgment that "the phrase comprehends the adequacy of service, its cost to the shipper, and the convenience, efficiency, and cost of the carriers' operations." The Court also said: "We think the Commission was not in error in construing the language used as evincing an intent that both interests [shippers' and carriers'] should be considered and a fair balance found."

In answer to the contentions that our findings were inadequate in that we did not find that the expense and inconvenience to the carriers concerned of rendering services over routes involving four, five, or six railroads would not be burdensome, the Supreme Court said:

True, the Commission's findings are not sharp and clear on the point, but the matter was not ignored and the Commission's decision refers to it. We are unable to say that there was not sufficient in the record before the Commission, and in its findings to justify the conclusion that the Commission, as it says it did, weighed the evidence and found that the balance was in favor of the order made. (Id. 593.)

Carolina Scenic Coaches, Inc., v. United States, 323 U. S. 678.

Without awaiting oral argument, the Supreme Court affirmed the decision of the district court sustaining our order of October 13, 1943, in *Smoky Mountain Stages, Inc., Extension, Augusta, Ga.*, and *McDuff Turner Extension, Augusta, Ga.—Asheville, N. C.*, 42 M. C. C. 832, insofar as said order accords to Smoky Mountain the right to operate passenger-bus service between Clinton, S. C., and Augusta, Ga. The decision of the district court was reported in 56 Fed. Supp. 801 and its action was affirmed by the Supreme Court on December 11, 1944, by the entry of an order which simply referred to prior decisions of that Court.

Public Service Commission v. United States, 323 U. S. 675.

Without awaiting oral argument, the Supreme Court affirmed the decision of the district court sustaining our order of February 25, 1944, in *New York Central R. Co. Abandonment*, 254 I. C. C. 745, per-

mitting the railroad to abandon its Yonkers branch, extending from Van Cortlandt Park Junction, New York, N. Y., to Getty Square, Yonkers, N. Y., 3.1 miles. The decision of the lower court was reported in 56 Fed. Supp. 351, and its action was affirmed by the Supreme Court on November 13, 1944, by the entry of an order reciting that our findings adequately supported our order, and that the findings were supported by evidence.

Turner v. United States, 323 U. S. 674.

Without awaiting oral argument, the Supreme Court affirmed the decision of the district court sustaining our order of December 30, 1943, in *Turner's Transfer Common Carrier Application*, 43 M. C. C. 841, by which we had denied certain operating rights claimed under the "grandfather" clause of part II of the Interstate Commerce Act. The decision of the district court was reported in 56 Fed. Supp. 798, and its action was affirmed by the Supreme Court on November 13, 1944, by the entry of an order which simply cited a prior decision of that Court.

Crichton v. United States, 323 U. S. 684.

Without awaiting oral argument, the Supreme Court affirmed the decision of the district court sustaining our report and order of November 2, 1943, in *Southeastern Motor Lines, Inc., Common Carrier Application*, 43 M. C. C. 37, insofar as said report authorizes the issuance of a certificate of public convenience and necessity in *Associated Transport, Inc.—Control and Consolidation*, 38 M. C. C. 137, to Southeastern, as a common carrier by motor vehicle in interstate or foreign commerce, of general commodities with exceptions, between Nashville and Knoxville, Tenn., over regular routes. The decision of the district court was reported in 56 Fed. Supp. 876, and its action was affirmed by the Supreme Court on January 29, 1945, by the entry of an order of affirmance, which cited prior decisions of the court in support thereof.

Jack Cole Co. v. United States, 324 U. S. 822.

Without awaiting oral argument, the Supreme Court on February 12, 1945, sustained the validity of our order of January 14, 1943, in *Jack Cole Co., Inc., Common Carrier Application*, 41 M. C. C. 657, wherein the applicant was denied certain "grandfather" rights under section 206a (the "grandfather" clause) on the ground that he did not show continuous service in the territory claimed. From unreported action of the district court upholding our order, the Cole Company appealed to the Supreme Court, which affirmed our action on authorities cited.

United States v. Hancock Truck Lines, 324 U. S. 774.

In this case the Supreme Court reversed the decision of the district court and sustained our order of August 4, 1943, in *Hancock Truck Lines, Inc., Successor to Globe Cartage Co., Inc.*, 42 M. C. C. 547,

insofar as said order attempted to limit and restrict plaintiff's operations as a common carrier of general commodities to such general commodities as are at the time moving on bills of lading of freight forwarders. In its decision, the Supreme Court found it unnecessary to pass upon the question whether the limitation contained in our order was within our authority, because of the fact that when the Hancock Company filed a petition for reconsideration with us, it stated: "We do not challenge, nor do we complain against, the restriction to serve only freight forwarders." The Supreme Court said it was improper to reverse our order "in respect of a provision therein as to which the suitor had advised that body it no longer objected but, acquiesced."

The opinion also discussed certain procedural matters in connection with appeals from final judgments under the Urgent Deficiencies Act, and holds (1) appeals from final judgments may be taken within 60 days, and (2) one judge has authority to allow such an appeal.

Adirondack Transit Line, Inc. v. United States, 324 U. S. 824.

Without awaiting oral argument, the Supreme Court affirmed the decision of the district court sustaining our order of June 6, 1944, in *Manhattan Coach Lines, Inc., v. Adirondack Transit Lines, Inc.*, 43 M. C. C. 477, wherein we required Adirondack to cease and desist from using the Lincoln Tunnel instead of the Weehawken Ferry in the performance of operations authorized in the original proceedings. The decision of the district court was reported in 59 Fed. Supp. 503, and its action was affirmed by the Supreme Court on February 26, 1945, by the entry of an order which simply stated that our motion to affirm had been granted.

Alabama Highway Express v. United States, 325 U. S. 837.

Without awaiting oral argument, the Supreme Court affirmed the action of the district court sustaining our order of July 27, 1944, in *Alabama Highway Express Inc., Common Carrier Application*, 43 M. C. C. 870, insofar as it denied applicant authority to transport general commodities between all points and places in Alabama and New Orleans, La., all points and places in Mississippi and Tennessee, all points and places in a portion of Florida, and all points and places in Georgia, on and west of U. S. Highway 129, and the distribution of freight from pool cars located at railroads in the States of Alabama and Mississippi. The action of the district court sustaining our order was unreported, and its holding was affirmed by the Supreme Court on May 28, 1945, by the entry of an order of affirmance on authorities cited.

Brotherhood of Locomotive Enginemen and Firemen et al. v. Interstate Commerce Commission, 325 U. S. 860.

On May 21, 1945, the Supreme Court denied petition for writ of certiorari to review our decision of October 17, 1941, in *Employees of*

the Nevada Consolidated Copper Corp. and/or the Nevada Northern Ry. Co., 246 I. C. C. 757, wherein we had denied our jurisdiction to determine whether the Nevada Consolidated Copper Corp. or the Nevada Northern Ry. Co. is the employer, within the meaning of the Railway Labor Act, of the persons operating ore trains between Ruth and McGill, Nev. A mandamus proceeding was brought in the district court of the United States for the District of Columbia to compel us to take jurisdiction; the petition was dismissed on January 12, 1944, and on appeal the Court of Appeals for the District of Columbia affirmed the action of the district court, 147 Fed. 2d 312.

By denying certiorari, the Supreme Court declined to review or disturb this holding of the lower court.

United States v. Capital Transit Co., 325 U. S. 357.

In this case the Supreme Court affirmed our order of June 12, 1944, in *Passenger Fares Between District of Columbia and Nearby Virginia*, 258 I. C. C. 559, whereby the Transit Co. was required to establish its District fares between points in the District of Columbia and the Pentagon Building in Virginia and whereby the Transit Co. and certain motorbus carriers (called the Virginia Lines) were required to establish joint fares (lower than the existing combination fares) for application between points in the District and the Pentagon and other Government installations in Virginia.

Our order was enjoined by the three-judge district court on jurisdictional grounds, that is, on the grounds that the transportation involved fell within the "commercial zone" exemption from the act's application (part II, section 303 (b) (8)) and was exempt except as our conclusion, reached in the case, that such application was necessary to carry out the national transportation policy was validly made. And as to this latter, the district court held that our conclusion was without support of adequate findings and evidence, and also that it was predicated upon an erroneous conception of the national transportation policy.

The Supreme Court's opinion on the appeal first speaks of the complication due to the fact that the Transit Co. rendered its service in the District both by bus and streetcar and that, therefore, most of the workers employed at the Virginia installations "were compelled to begin or complete their trips by utilizing busses or streetcars of Capital Transit." And in this connection the Court mentions with apparent approval the fact that the "Commission treated Transit Co.'s local bus and streetcar business as an integrated unit."

Dealing with the appellee's contentions that the transportation involved was exempted from our jurisdiction by section 203 (b), part II, of the act, the Court says that the appellees emphasize that such transportation begins and ends in a single community, all within an area recognized as the "commercial zone" of Washington (3 M.

C. C. 243); and that they urge that the situation is like that in *Omaha Street Ry. v. United States*, 230 U. S. 234, where it was held that a street railway, operating between Omaha and Council Bluffs, was "local," serving a "single community," and was not the kind of "railroad" which the act empowered us to regulate. But, answering this, the Court says that the *Omaha Case* "did not hold that Congress could not authorize the Commission to regulate movements that took place across state lines in a single local community"; that all that that case decided was that Congress had not granted such power under the law *as it then existed*. And the Court then states that, in the present case, it must look to the motor carrier act, section 203 (b) whereof "specifically defines the circumstances under which the Commission can regulate interstate activities which happen to take place in a single 'commercial zone'." Speaking of the said section 203 (b), the opinion thereupon reads:

If evidence was necessary to prove that unreasonably high rates were calculated to disturb the morale of workers forced to pay them, and thus to impair the national defense program, there can be no doubt but that the findings of the Commission were well supported. It is to be remembered that these are interstate rates for interstate travel which applied almost exclusively to workers engaged in national defense. Neither the District nor Virginia had power adequately to regulate the rates; nor had they attempted to do so. Their regulation was rightfully a matter of concern to Army and Navy Departments charged with the serious responsibility of conducting a war. The employees worked in the very center of activities essential in that cause. Congress unequivocally reserved to the Commission power to regulate reasonableness of interstate rates in the light of the needs of national defense. The findings of the Commission on this issue were clear and complete, cf. *Yonkers v. United States*, 320 U. S. 685, and justified the Commission in exercising its jurisdiction.

By the above the Court disposes of the grounds upon which the District Court had enjoined our order, but it had previously said that it would consider all questions argued "in order that final disposition of the case may not be further delayed." And, accordingly, the opinion next discusses the question whether we had exceeded our authority by prescribing joint fares between the Virginia motorbus lines and the Transit Company as operator of both motorbusses and a street railroad. Respecting the appellees' position on this question, the Court says that their first argument "is substantially the same as the one just rejected—that all of the Transit Company's operations, by both bus and streetcar, are purely local and therefore not subject to the Commission's jurisdiction."

Following and in addition to the above, the Court mentions the further consideration that the Transit Co. conducted its own traffic between the Pentagon and District residential points as one continuous journey and that, under its practices, "a Virginia worker could board its local bus or streetcar, ride to a District Terminal of Transit's

Virginia-bound bus, board it, and obtain the benefit of a transfer supplied by Transit." And in this connection the Court says:

As carried out by Transit the arrangements were the exact equivalent of transportation on a "through route" for a joint fare. Had Transit not owned the vehicles transporting the passengers on each leg of this interstate journey, it could not have established consistently within the Interstate Commerce Act, joint rates with a particular Virginia bus line, to the exclusion of its competitors, for the reason that one given a monopoly of through traffic could "soon be able to drive its competitors out of business." *United States v. Pennsylvania R. Co.*, 323 U. S. 612, 617. The Motor Carrier Act, which is part of the Interstate Commerce Act, need not be interpreted so as to permit the accomplishment of such a result.

The Court concludes its opinion by referring to the forepart of section 216 (c) as the source apparently of our authority both with respect to the Transit Co.'s individual fares and the joint fares which the orders prescribe. It says:

Section 216 (e) expressly authorizes the Commission to declare unlawful any unreasonable, preferential, or prejudicial rule, classification, regulation or practice arising from any "individual or joint rate, fare, or charge, demanded, charged or collected by any common carrier or carriers by motor vehicle or by any common carrier or carriers by motor vehicle in conjunction with any common carriers by railroad * * *" and to "prescribe the lawful rate, fare, or charge thereafter to be observed * * *" We think that under the Commission's findings, supported by evidence, it did have power to declare these rates unreasonable and unlawful as it did, and thereafter to prescribe the lawful rate to be charged for the interstate trip.

In the last paragraph of the opinion, the Court says:

Other contentions urged by the carriers have been considered, but need not be discussed, since we are satisfied with the disposition made of them by the Interstate Commerce Commission.

By the above, the Court sustains our report in its disposition of various important contentions, notably the contentions (1) that the matter should have been referred to a joint board, (2) that the fares prescribed were commutation fares which (it was urged) we were without authority to prescribe as an initial matter, and (3) that the level of the fares prescribed was arbitrary and unsupported by any evidence.

North Carolina v. United States, 325 U. S. 507.

Alabama v. United States, 325 U. S. 535.

Kentucky v. United States, 325 U. S. 535.

Tennessee v. United States, 325 U. S. 535.

On June 11, 1945, the Supreme Court set aside our order of March 25, 1944, in *Alabama Intrastate Fares*, 258 I. C. C. 133, embracing also *North Carolina Intrastate Coach Fares*, *Kentucky Intrastate Fares*, and *Tennessee Intrastate Fares*.

The order required one-way intrastate coach fares in all four of these States to be increased from 1.65 cents per mile to the 2.2-cent

level prevailing throughout the country on interstate traffic and in all other 44 States upon intrastate traffic. The order also required increases to the generally prevailing interstate level of the intrastate round-trip coach fares in all four States and of the intrastate round-trip fares in parlor and sleeping cars in Alabama and Tennessee.

Suit to set aside the order in its application to North Carolina fares was filed in the District Court for the Eastern District of North Carolina. That court sustained the order, *State of North Carolina v. United States*, 56 Fed. Supp. 606. Suits to set aside the order in its operation upon fares in the other three States were filed in the District Court for the Western District of Kentucky, and the order was sustained. *State of Alabama v. United States*, 56 Fed. Supp. 478. Appeals were taken to the Supreme Court, and in the opinion under discussion the decrees below are reversed. The opinion, rendered by Justice Black, was concurred in by Justices Murphy, Rutledge, Douglas, and Jackson.

The majority opinion was based on the absence of evidence in the record showing prejudice against interstate passengers or discrimination against interstate commerce. The court said:

The mere existence of a disparity between particular rates on intrastate and interstate traffic does not warrant the Commission in prescribing intrastate rates.

Justice Reed wrote a lengthy dissent, which was concurred in by Chief Justice Stone, and Justices Roberts and Frankfurter.

On October 8, 1945, the Court denied our petition for rehearing.

Ashland Coal & Ice Co. v. United States, 325 U. S. 840.

Without awaiting oral argument, the Supreme Court affirmed the decision of the district court sustaining our order of November 8, 1943, in *Ashland Coal & Ice Co., Inc. v. Atlantic Coast Line R. Co.*, 256 I. C. C. 429, wherein we found rates on bituminous coal from mines in Virginia, West Virginia, and Kentucky, to Richmond, Petersburg, Hopewell, Lynchburg, and other Virginia destinations, over interstate routes, unreasonable for the future but not for the past, and denied reparation. The district court sustained our action on the merits, as well as holding that the court had no jurisdiction over a denial of reparation for the past, sought and denied by us. 61 Fed. Supp. 708. The action of the district court was affirmed by the Supreme Court on June 18, 1945, without formal opinion and on authorities cited.

Barrett Line, Inc. v. United States, 326 U. S. 179.

In this case, the Supreme Court set aside in part our order of June 18, 1943, in *Barrett Line, Inc., Contract Carrier Application*, 250 I. C. C. 809, insofar as we had denied the applicant the right to continue in chartering operations. In all other respects our action was sustained. The right to a permit as a contract carrier by water under part III of the Interstate Commerce Act and involving the 1940

amendment was in issue. The conclusion of the Court was that, despite the carrier's failure to show the nature of the services rendered by it, or the points served prior to and since the critical date of June 1, 1940, the carrier was entitled to a permit for chartering operations under the "grandfather" clause of section 309 (f). It was made clear by the opinion of the Court that proof of chartering operations gave rise to no "grandfather" rights to other kinds of transportation.

Interstate Commerce Commission v. Parker, 326 U. S. 60.

American Trucking Assn. v. United States, 326 U. S. 77.

These two closely related cases involved the validity of our orders authorizing the substitution of motortrucks for way trains in the handling of railroad less-than-carload traffic. In the *Parker case*, there were involved our orders of September 25, 1943, and February 8, 1944, 42 M. C. C. 721, granting certificates of public convenience and necessity to the Willett Company of Indiana, a subsidiary of the Pennsylvania Railroad Company, for the inauguration of truck service auxiliary to rail service between Indiana and Michigan points. The *American Trucking Association case* involved orders in 17 M. C. C. 413, 28 M. C. C. 5, and 34 M. C. C. 441, granting certificates of public convenience and necessity for common-carrier truck operations auxiliary to rail service.

In the *Parker case*, the validity of our order was sustained, while in the *American Trucking Association case* the orders were set aside on procedural grounds.

The common issue in both these cases was our power to authorize this type of trucking operations in the absence of proof of "the inadequacy of the presently duly certificated motor carriers to serve the railroad's need." The *Parker case* deals with this issue. The high points of the decision are:

1. The words "public convenience and necessity" in section 207 (a) have the same connotation as in section 1 (18).

2. The determination of public convenience and necessity for additional motor service is within our administrative discretion.

3. In determining whether the truck-for-rail service should be conducted by the railroad or independent motor carriers we must have regard for the declared policy of preserving the inherent advantages of each method of transportation as well as the promotion of safe, adequate, economical, and efficient service.

4. The national transportation policy does not bar railroads from the operation of highway motor vehicles.

5. The proposed motor-carrier service is to improve existing rail service. Where that improvement depends in our judgment upon a unified and limited rail-truck operation which is found not "unduly prejudicial" to motor-carrier operations, we may authorize the

certificate even though existing carriers might arrange to furnish the projected service successfully.

6. Having found public convenience and necessity on evidence of transportation advantages to shippers and economy to the rail carriers, in the absence of power to compel coordination between motor and rail carriers and in the presence of probable gains in operative efficiency from unified management, we are entitled to conclude that the public will be better served by the rail operation than by use of the available motor-carrier facilities.

The decision in this case also impliedly holds that *Thomson v. United States*, 321 U. S. 19, does not prevent the issuance of a certificate for the restricted truck-for-rail service to a railroad motor-carrier subsidiary. This issue was specifically raised in the brief of intervening appellees, the argument being made that under the doctrine of the *Thomson case* the applicant was not a common carrier by motor vehicle. Evidently the Court did not consider this contention of sufficient merit to warrant answer.

The decision in the *American Trucking Association case* affirmed the principles enunciated in the *Parker case*, but found our order invalid because of the rejection of certain evidence. The Court held we should have admitted evidence of the flow of traffic by truck from points covered in one application to points covered by other applications and evidence of the effect of the motor traffic, developed or prospective on all Seaboard routes on the over-the-road motor carriers, since we must weigh the advantages of improved rail traffic against injury to the over-the-road motor carriers to determine where public convenience and necessity lie.

The decision also holds that the composition of joint boards is to be determined from the face of the application.

Carolina Scenic Coach Lines v. United States, 326 U. S. ———.

Without awaiting oral argument, the Supreme Court on October 8, 1945, affirmed the decision of the district court (59 Fed. Supp. 336) holding that our denial of a petition for further hearing to permit the introduction of newly discovered evidence in *Smoky Mountain Stages, Inc., Extension, Augusta, Ga.*, and *McDuff Turner Extension, Augusta, Ga.—Asheville, N. C.*, 42 M. C. C. 832, was not erroneous. In this connection the Court cited *Interstate Commerce Commission v. Jersey City*, 322 U. S. 503.

Deaton Truck Line, Inc., v. United States, 326 U. S. ———.

On October 8, 1945, the Supreme Court took the same action with respect to our decision in *Deaton Truck Line, Inc., Common Carrier Application*, 43 M. C. C. 585, affirming our order in all respects. The Court cited its prior decisions in *United States v. Hancock Truck Lines*, 324 U. S. 774, and *Carolina Freight Carriers Association v. United States*, 315 U. S. 474, as support for this action.

Other decisions of interest in connection with our work were:

Badenhausen v. Guaranty Trust Co. of New York, 323 U. S. 797.

In this case the Supreme Court on January 8, 1945, denied petition for writ of certiorari to review a decision of the Circuit Court of Appeals for the Fourth Circuit (145 Fed. (2d) 40) growing out of the reorganization of the Seaboard Air Line Railway Company. This equity proceeding for the reorganization of the Seaboard was brought prior to the enactment of section 77 of the Bankruptcy Act, wherein holders of 1 of 10 underlying bond issues, each of which was secured by lien on a relatively small part of the railroad's properties, filed objections to the plan on the ground that the proposed allocation of securities was inadequate as to them, and objected to continuation of the equity proceeding on the ground that the enactment in 1933 of section 77 required dismissal of the proceeding so that the reorganization should be conducted by the bankruptcy court. The district court found that the master's plan of reorganization, with modifications proposed by conference committee appointed by the court, was fair and equitable, nondiscriminatory and afforded due recognition to rights of each class of creditors and stockholders. The Circuit Court of Appeals affirmed the order of the district court approving the plan (145 Fed. (2d) 40), holding that the district court's failure to dismiss the equity proceeding on its own motion, and permitting creditors to consummate reorganization in equity, was not erroneous since the public interest would be sufficiently protected by a requirement that our approval to new capitalization be obtained; and that evidence supported a finding that the plan was fair and equitable, and that a larger allowance to objecting bondholders could not be justified.

By denying petition for writ of certiorari, the Supreme Court declined to disturb these holdings.

Tiller v. Atlantic Coast Line R. Co., 323 U. S. 574.

The suit arose out of the death of petitioner's husband killed in the performance of his duties as an employee of respondent railroad. The amended complaint charged negligence on the part of the railroad, and also that the death was caused by the carrier's violation of the Boiler Inspection Act and of the rules and regulations prescribed by us pursuant to the provisions of that act.

The Circuit Court of Appeals held that there was no evidence that the alleged violation of the Boiler Inspection Act was the proximate cause of the accident and on that issue the district court should have found in favor of the railroad. (142 Fed. (2d) 718).

After setting out the provisions of our rule 131 relating to the use of lights on locomotives used in yard service, the Supreme Court pointed out that there was no light on the rear of the locomotive which was

moving in reverse toward the decedent. In its decision that Court said:

Assuming, without deciding, that the railroad could consistently with Rule 131 obscure the required light on the rear of the engine, it does not follow that, as a matter of law, failure to have the lights did not contribute to Tiller's death. The deceased met his death on a dark night, and the diffused rays of a strong headlight even though directly obscured from the front, might easily have spread themselves so that one standing within three car-lengths of the approaching locomotive would have been given warning of its presence, or at least so the jury might have found. The backward movement of cars on a dark night in an unlit yard was potentially perilous to those compelled to work in the yard. *Tennant v. Peoria & P. U. Ry. Co.*, 321 U. S. 29, 33. And "The standard of care must be commensurate to the dangers of the business." *Tiller v. Atlantic Coast Line Railroad*, *supra* 67. (Id. 578-579).

The judgment of the district court was affirmed and that of the Circuit Court of Appeals reversed.

Park v. Group of Institutional Investors, 324 U. S. 857.

In this case the Supreme Court, on March 12, 1945, denied petition for writ of certiorari to review a decision of the Circuit Court of Appeals, reported in 145 Fed. (2d) 299, wherein that court had dismissed appeals from an order approving a new plan in railroad reorganization proceeding after the Supreme Court remanded the original plan to us for determination of what the senior bondholders should receive in addition to the face amount of inferior securities as equitable compensation for loss of their senior rights, since our change of the effective date of the new plan to a date 5 years later, to provide for such compensation, conforms to the mandate and opinion of the Supreme Court.

Georgia v. Pennsylvania R. Co., 324 U. S. 439.

This case was brought by the State of Georgia originally in the Supreme Court, and that Court, on March 26, 1945, in a 5-4 decision, extended to the State of Georgia its original jurisdiction in the State's case against a group of railroads, premised upon their alleged collusion in fixing discriminatory freight rates which work to the advantage of the northern interests and to the disadvantage of Georgia, its interests, and its ports. The Supreme Court recognized the State's capacity to sue as *parens patriae* on behalf of "her people against a continuing wrong done to them," and stressed that the State might maintain the action for injunctive relief but not for damages, even if the conspiracy alleged were found to exist. The Court's holding, briefly stated, was that two grounds exist for the right of the State to bring the suit: (1) Not all of the defendant railroads can be "found" or are doing business in a convenient district, consequently a district court would not be convenient forum, and (2) the Sherman Act provision permitting district courts to bring in nonresident defendants is restricted to civil suits instituted by the United States.

Chief Justice Stone, in his dissenting expression, observed that the Court's first stated ground "puts the shoe on the wrong foot." Georgia, he pointed out, had made no showing that the suit could not be tried in a district court as readily as in the Supreme Court. The Chief Justice declared that it was incumbent on the State to show that it would be unable to reach all of the defendants in a convenient district because it was Georgia which was seeking to invoke the equity jurisdiction of the Court. He also feared that the holding that shippers could maintain suits such as this, was a serious threat to the stability of ratemaking.

On June 18, 1945, the Supreme Court, by a supplemental order, granted the railroads' request that the State be required to file a bill of particulars, wherein they had sought to have the complaint made more specific so as to better understand the charges of the State of Georgia that an unlawful conspiracy by the carriers in violation of the Sherman Act existed. The State was to make its return by August 15th.

Rockton & Rion Railroad Co. v. Walling, 324 U. S. 880.

In this case the Supreme Court on April 23, 1945, denied a petition for a writ of certiorari to review a decision of the Circuit Court of Appeals for the Fourth Circuit (146 Fed. (2d) 111), holding that the provisions of the Fair Labor Standards Act were applicable to employees of the railroad. This carrier was 12 miles long and operated wholly within one State, but connected with an interstate carrier, and had been held by us not to be a common carrier by railroad engaged in interstate commerce under part I, but so far as interstate commerce is concerned, to be a plant facility not subject to the act.

Badenhausen v. Baetjer, 324 U. S. 882.

On April 23, 1945, the Supreme Court denied a petition for writ of certiorari to review a decision of the Circuit Court of Appeals for the Fourth Circuit (146 Fed. (2d) 762) growing out of the plan of reorganization for the Seaboard Air Line Railway Co., wherein a first-mortgage bondholders' committee of a subsidiary railroad in reorganization authorized by us petitioned the Court for an order prohibiting underlying bondholders' protective committee from representing and acting for first-mortgage bondholders of the subsidiary. The plan of reorganization was well on way at time of petition. The lower court affirmed the judgment of dismissal, holding that the first-mortgage bondholders' committee was not entitled to the requested order despite the fact that a conflict of interests exists between various bond issues where work of underlying committee is substantially completed, its activities have been advantageous to first-mortgage bondholders of the subsidiary, and it has not been guilty of concealment or intentional wrongdoing.

By denying certiorari, the Court declined to disturb these holdings.

Barry v. Reading Co., 324 U. S. 867.

On April 2, 1945, the Supreme Court denied petition for writ of certiorari to revise a decision of the Circuit Court of Appeals for the Third Circuit (147 Fed. (2d) 129), involving a construction of certain of our regulations under the Safety Appliance Act, wherein that court had held:

In action against railroad for death of a brakeman, failure to instruct jury concerning respective dimensions prescribed by Interstate Commerce Regulations for the square fit of a brake shaft and its accompanying ratchet wheel as a means for determining whether equipment was defective was not error, since dimensions prescribed were minimum requirements and regulations failed to prescribe a definite maximum of clearance.

In action against railroad for death of brakeman, whether equipment furnished by railroad complied with minimum requirements prescribed by Interstate Commerce Regulations and whether equipment was efficient were questions for jury.

By denying certiorari, the Supreme Court declined to disturb these holdings.

Massachusetts v. New York, N. H. & H. R. Co., 325 U. S. 884.

On June 18, 1945, the Supreme Court denied a petition for a writ of certiorari to review a decision of the Circuit Court of Appeals for the Second Circuit (147 Fed. (2d) 40), holding that in a reorganization proceeding under section 77 the procedure followed by us in filing a fifth reorganization plan while a fourth was under advisement in the district court was proper under section 77 (e); the Court had also approved the plan as fair and equitable and not invalid because in conflict with State law.

By denying certiorari, the Supreme Court declined to disturb these holdings of the lower court.

D. & W. Lines, Inc. v. Garfield, 325 U. S. 879.

On June 18, 1945, the Supreme Court denied a petition for a writ of certiorari to review a decision of the Massachusetts Supreme Judicial Court, dated February 19, 1945, wherein the lower court had held:

Lessor-owner of motor vehicle was liable to third parties for injuries arising from collision involving lessor's vehicle while being operated by lessor's driver operating vehicle for carrier-lessee pursuant to contract providing that operator "shall be under the complete control and direction of the lessee" since evidence was sufficient to prove that driver was acting as lessor's employee at time of accident; trial court properly excluded Interstate Commerce Commission ruling to effect that carrier hiring motor vehicle should do so by lease which should contain provisions by which exclusive control of vehicle and operator would be transferred to lessee, since ruling was advisory in character, and whatever force and effect it might have in its appropriate field, it did not supersede applicable Massachusetts statute (G. L. Ter. Ed. Ch. 231, Sec. 85 (a)) in determining employment relationship.

By denying certiorari, the Supreme Court declined to disturb these holdings of the lower court.

Illinois Commerce Commission v. Illinois Central R. Co., 324 U. S. 823.

In these cases the Supreme Court on February 26, 1945, without awaiting oral argument, entered a *per curiam* order sustaining a decision of the Supreme Court of Illinois, which had held invalid orders of the Illinois Commerce Commission denying railroads' proposed increase in fares for intrastate suburban passenger commutation fares because not based on substantial evidence. The State court had also held that the State Commission's refusal to consider evidence tending to show that revenue derived from suburban services was insufficient to pay operating expenses and to provide a reasonable return on the investment, constituted a denial of due process of law.

Southern Pacific Co. v. State of Arizona, 325 U. S. 761.

In this case, the Supreme Court held that the Arizona Train Limit Law of May 16, 1912, making it unlawful to operate within the State a railroad train of more than 14 passenger or 70 freight cars, was unconstitutional because it contravened the commerce clause of the Constitution.

The car-service provisions of the Interstate Commerce Act, paragraphs (10)–(17) of section 1, were held, in the absence of administrative action by us, not to curtail the power of the State to regulate train limits. Our Service Order No. 85, promulgated September 15, 1942, was not in effect in 1940 when the present suit was brought for violations of the State law, and was therefore held inapplicable to the train operations here charged as violations. The provisions of the Safety Appliance Act and of section 25 of part I of the Interstate Commerce Act, relating to train-stop and train-control devices, were held to have "even less support" as, of their own force, excluding State regulation of train lengths.

After a review of the many prior decisions of the Court concerning the authority of a State, in the exercise of its police powers, to enact safety measures to protect its people, the Court said:

If one state may regulate train lengths, so may all the others, and they need not prescribe the same maximum limitation. The practical effect of such regulation is to control train operations beyond the boundaries of the state exacting it because of the necessity of breaking up and reassembling long trains at the nearest terminal points before entering and after leaving the regulating state. The serious impediment to the free flow of commerce by the local regulation of train lengths and the practical necessity that such regulations, if any, must be prescribed by a single body having a nation-wide authority are apparent. (*Id.*)

The Supreme Court reviewed very fully the findings of the district court, which the Supreme Court of Arizona had not disturbed although sustaining the State law, and upon those findings held that the Arizona Train Limit Law "viewed as a safety measure, affords at most slight and dubious advantage, if any, over unregulated train

lengths, because it results in an increase in the number of trains and train operations and the consequent increase in train accidents of a character generally more severe than those due to slack action."

In the course of its opinion, the Court said:

The findings show that the operation of long trains, that is, trains of more than fourteen passenger and more than seventy freight cars, is standard practice over the main lines of the railroads of the United States, and that, if the length of trains is to be regulated at all, national uniformity in the regulation adopted, such as only Congress can prescribe, is practically indispensable to the operation of an efficient and economical national railway system. (Id.)

Holding that the State had gone too far, the Court concluded that "examination of all the relevant factors makes it plain that the State interest is outweighed by the interest of the nation in an adequate, economical and efficient railway transportation service which must prevail."

Mr. Justice Black and Mr. Justice Douglas wrote dissenting opinions, and in the course of Justice Douglas' dissent, he said:

If I sat as a member of the Interstate Commerce Commission or of a legislative committee to decide whether Arizona's train-limit law should be superseded by a federal regulation, the question would not be free from doubt for me. If we had before us the ruling of the Interstate Commerce Commission (*In the Matter of Service Order No. 85*, 256 I. C. C. 523, 534) that Arizona's train-limit law infringes "the national interest in maintaining the free flow of commerce under the present emergency war conditions," I would accept its expert appraisal of the facts, assuming it had the authority to act. But that order is not before us.

Beacon Milling Co. v. New York Central R. Co., 323 U. S. 783.

The Supreme Court, on December 4, 1944, denied a petition for writ of certiorari in this case, which was an action by the railroad against a milling company to recover emergency charges allegedly due for transportation of grain in interstate commerce, the complaint alleging that charges had been authorized in our reports in *Emergency Freight Charges, 1935*, 208 I. C. C. 4 and 215 I. C. C. 439. These reports maintained all our outstanding orders in full force and effect except to the extent necessary to permit emergency charges therein authorized to be applied. Defendant, which operates on transit arrangement with the railroad, receives raw materials which are fictionally manufactured "in transit" and reshipped, all as through transportation service from original point of shipment of raw material, via point of manufacture, to final destination. The defendant denied liability, contending that by virtue of an earlier report, *Beacon Milling Co. v. New York Central R. Co.*, 157 I. C. C. 635, decided in 1929, and an outstanding and effective order entered in connection therewith, emergency charges could not lawfully be assessed.

The New York Court of Appeals (293 N. Y. 218) reversed the judgment of the appellate division (266 N. Y. (Mem.) 708) affirming a judgment of dismissal, holding (1) that emergency transit rates

published by the railroad as part of emergency tariffs were applicable and (2) that the shipper's remedy, if any, was in proceedings before us for administrative relief.

The Supreme Court declined to review these findings, the ground for denial being stated as want of final judgment in the court below.

Ohio Tank Car Company v. Keith Railway & Equipment Company, 326 U. S. —.

On October 8, 1945, the Supreme Court denied a petition for a writ of certiorari to review a decision of the Circuit Court of Appeals for the Seventh Circuit (148 Fed. (2d) 4), holding that the Elkins Act precludes recovery by tank-car lessee company from a tank-car lessor company of a share of mileage allowances paid by railroad carriers for the use of tank cars and provided for by lease, when lessee company is commonly owned with Petroleum Products Co. giving shipping instructions and signing bills of lading for its customers, despite the fact that the Petroleum Co. pays no freight charges. By denying certiorari, the Supreme Court declined to review this holding of the lower court.

Texas and New Orleans Railroad Co. v. United States, 326 U. S. —.

On October 8, 1945, the Supreme Court denied a petition for writ of certiorari and thus declined to review a decision of the Circuit Court of Appeals for the Fifth Circuit (148 Fed. (2d) 896), holding that the United States is entitled to freight rates upon intrastate shipments of sand, gravel, and crushed stone to designated stations in Texas, computed on a single-line scale provided by a circular of the Texas Railroad Commission rather than on higher joint-line scale provided therein, since the Government by virtue of construction and maintenance of own tracks, is not an average customer covered by the higher rate.

Badenhausen v. Glazebrook, 326 U. S. —.

On October 8, 1945, the Supreme Court denied a petition for writ of certiorari to review a decision of the Circuit Court of Appeals for the Fifth Circuit (148 Fed. (2d) 450), holding that in an ancillary receivership proceeding in a Federal District Court in the Fifth Circuit incident to equity proceedings in the Fourth Circuit for the reorganization of the Seaboard Air Line Railway Co., the court of ancillary jurisdiction properly followed the decision of the court of primary receivership, the same questions being involved in both proceedings, and the rule of law applicable being that ancillary receiverships are generally conducted in harmony with the court having original jurisdiction of the primary receivership.

Southern California Freight Lines v. McKeown, 326 U. S. —.

On October 8, 1945, the Supreme Court denied a petition for writ of certiorari, thus declining to review a holding of the Circuit Court of Appeals for the Ninth Circuit (148 Fed. (2d) 890), wherein that

court held that the Fair Labor Standards Act is applicable to an employee engaged in clerical work of handling bills of lading, invoices, freight checking, and record keeping of freight handlers' time for interstate freight motor carrier, notwithstanding the fact that his interstate activities, which are an integral part of his every day work, amount to only 7 percent of his entire work, the interstate activity being sufficiently substantial to constitute interstate commerce and to bring the employee within the coverage of the act.

BUREAU OF LOCOMOTIVE INSPECTION

The work of this Bureau is shown in detail in the report of the director, published separately. Except as otherwise stated the report here made is for the fiscal year ended June 30, 1945.

The following tables covering the fiscal years indicated are self-explanatory.

TABLE I.—*Reports and inspections—Steam locomotives*

	Year ended June 30—					
	1945	1944	1943	1942	1941	1940
Number of locomotives for which reports were filed.....	43, 019	43, 297	43, 064	42, 951	43, 236	44, 274
Number inspected.....	115, 979	117, 334	116, 647	113, 451	105, 675	102, 164
Number found defective.....	11, 975	12, 710	11, 901	10, 970	9, 570	8, 565
Percentage inspected found defective.....	10	11	10	10	9	8
Number ordered out of service.....	506	630	487	474	560	487
Number of defects found.....	53, 367	56, 617	51, 350	44, 928	37, 691	32, 677

TABLE II.—*Accidents and casualties caused by failure of some part of the steam locomotive, including boiler, or tender*

	Year ended June 30—					
	1945	1944	1943	1942	1941	1940
Number of accidents.....	410	403	319	222	153	164
Percent increase or decrease from previous year.....	¹ 1.7	¹ 26.3	¹ 43.7	¹ 45.1	6.7	¹ 7.9
Number of persons killed.....	20	25	27	34	15	18
Percent increase or decrease from previous year.....	20.0	7.4	20.6	¹ 126.7	16.7	¹ 20.0
Number of persons injured.....	429	466	373	227	182	225
Percent increase or decrease from previous year.....	7.9	¹ 24.9	¹ 64.3	¹ 24.7	19.1	¹ 37.2

¹ Increase.

TABLE III.—*Accidents and casualties caused by failure of some part or appurtenance of the steam locomotive boiler*¹

	Year ended June 30—							
	1945	1944	1943	1942	1941	1940	1915	1912
Number of accidents.....	141	141	129	81	43	67	424	856
Number of persons killed.....	13	17	25	30	12	16	13	91
Number of persons injured.....	154	194	173	83	64	110	467	1, 005

¹ The original act applied only to the locomotive boiler.

TABLE IV.—*Reports and inspections—Locomotives other than steam*

	Year ended June 30—					
	1945	1944	1943	1942	1941	1940
Number of locomotive units for which reports were filed.....	6,094	5,139	4,351	3,957	3,389	2,987
Number inspected.....	9,888	7,711	6,847	6,728	5,558	4,974
Number found defective.....	447	378	298	358	319	298
Percentage of inspected found defective.....	4.5	4.9	4.4	5	6	6
Number ordered out of service.....	16	9	6	12	21	16
Number of defects found.....	1,212	1,026	849	928	905	766

TABLE V.—*Accidents and casualties caused by failure of some part or appurtenance of locomotives other than steam*

	Year ended June 30—					
	1945	1944	1943	1942	1941	1940
Number of accidents.....	29	17	15	9	11	7
Number of persons killed.....	1	—	—	—	—	—
Number of persons injured.....	40	23	18	9	11	7

INVESTIGATION OF ACCIDENTS AND GENERAL CONDITION OF LOCOMOTIVES

All accidents reported to the Bureau as required by the law and rules were carefully investigated and appropriate action taken to prevent recurrence as far as possible. Copies of reports of accident investigations were furnished to interested parties when requested and otherwise used in our effort to bring about a diminution in the number of such accidents.

STEAM LOCOMOTIVES

Four hundred and ten accidents occurred in connection with steam locomotives resulting in 20 deaths and 429 injuries. This represents an increase of 7 accidents, a decrease of 5 in the number of persons killed, and a decrease of 37 in the number of persons injured compared with the preceding year.

During the year, 10 percent of the steam locomotives inspected by our inspectors were found with defects or errors in inspection that should have been corrected before the locomotives were put into use; this represents a decrease of 1 percent compared with the preceding year. Five hundred and six locomotives were ordered withheld from service by our inspectors because of the presence of defects that rendered the locomotives immediately unsafe; this is a decrease of 124 locomotives compared with the preceding year.

Traffic conditions continued to be such as to require the maximum possible utilization of all locomotives that were capable of rendering service. The problem that confronted our inspectors in the matter

of withholding urgently needed locomotives from service when found defective required and received the most careful consideration. Locomotives found defective were not ordered out of service if investigation developed that such defects did not render them unsafe for the service to which they were put.

EXPLOSIONS AND OTHER BOILER ACCIDENTS

Eight boiler explosions occurred in the fiscal year; all were caused by overheating of the crown sheets due to low water. Nine employees were killed in these accidents and 12 employees were injured. There was a reduction of 11 in the number of boiler explosions, a reduction of 3 in the number of persons killed, and a reduction of 50 in the number of persons injured compared with the preceding year.

One of these accidents, in which two employees were injured, occurred while the locomotive was hauling a passenger train at an estimated speed of 30 miles per hour. The boiler was broken from the frame and cylinder saddle attachments and forced out of alignment but remained on the frame. The arch tubes, grates, ashpan, and brick arch were blown from the locomotive and scattered in various directions within a radius of 300 feet from the point of explosion. The trailing truck wheels, the tender, first two cars, and the front truck of the third car were derailed, and the locomotive and train stopped in a distance of approximately 265 feet.

In another accident a locomotive hauling a passenger train exploded as it was standing at a signal governing movement over an approach cross-over leading into a passenger station. One arch tube, grates, and brick arch were blown out of the fire-box. Pieces of the brick arch started fires in a wood-working shop 300 feet distant; part of the stoker exhaust pipe was found 250 feet away; and a piece of grate side frame was found imbedded in an enginehouse door 300 feet from the point of explosion. One employee was killed and another was injured in this accident.

Two employees were killed in an explosion which occurred while the locomotive was hauling a troop train at an estimated speed of 30 miles per hour. The force of the explosion tore the boiler from the running gear and hurled it upward and forward. The boiler struck the ground and rebounded twice, and came to rest 265 feet ahead of the point of explosion and 33 feet to the right of the track. Parts of the wreckage were scattered over an area within a radius of 415 feet.

Three employees were killed and 1 employee was injured in an explosion which occurred while the locomotive was hauling a freight train at an estimated speed of 40 to 45 miles per hour. The locomotive, tender, and 22 cars were derailed, 15 cars and the locomotive

and tender frame were massed within a space of 160 feet, and the lading in 13 cars was badly damaged or destroyed by fire.

Three employees were killed in an explosion which occurred while the locomotive was hauling a freight train at an estimated speed of 12 to 15 miles per hour. The boiler was torn from the running gear and hurled 190 feet forward where it struck and damaged the track, rebounded, and came to rest 374 feet from the point of explosion. The running gear, tender, and first six cars of the train were derailed at the damaged section of the track and the running gear and tender overturned. Parts of the wreckage were scattered over an area within a radius of 675 feet.

Eight employees were injured in the remaining three accidents.

Boiler and appurtenance accidents other than explosions resulted in the death of 4 employees and injuries to 142 employees. This is a decrease of 1 death and an increase of 10 injuries as compared with the preceding year.

EXTENSION OF TIME FOR REMOVAL OF FLUES

One thousand seven hundred and twenty-nine applications were filed for extensions of time for removal of flues, as provided in rule 10. Our investigations disclosed that in 43 of these cases the condition of the locomotives was such that extensions could not properly be granted. Thirty-six were in such condition that the full extensions requested could not be authorized, but extensions for shorter periods of time were allowed. Forty extensions were granted after defects disclosed by our investigations were required to be repaired. Fifty-seven applications were canceled for various reasons. One thousand five hundred and fifty-three applications were granted for the full period requested.

LOCOMOTIVES PROPELLED BY POWER OTHER THAN STEAM

There was an increase of 12 in the number of accidents involving locomotives other than steam and an increase of 17 in the number of persons injured as compared with the preceding year. One employee was killed and this was the only death as a result of such accidents since the year 1931.

During the year, 4.5 percent of the locomotives inspected by our inspectors were found with defects or errors in inspection that should have been corrected before the locomotives were put into use; this represents a decrease of 0.4 percent compared with the results obtained in the preceding year. Sixteen locomotives were ordered withheld from service by our inspectors because of the presence of defects that rendered the locomotives immediately unsafe, an increase of 7 compared with the previous year.

SPECIFICATION CARDS AND ALTERATION REPORTS

Under rule 54 of the Rules and Instructions for Inspection and Testing of Steam Locomotives, 331 specification cards and 5,767 alteration reports were filed, checked, and analyzed. These reports are necessary in order to determine whether or not the boilers represented were so constructed or repaired as to render safe and proper service and whether the stresses were within the allowed limits. Corrective measures were taken with respect to numerous discrepancies found.

Under rules 328 and 329 of the Rules and Instructions for Inspection and Testing of Locomotives Other Than Steam, 1,045 specifications and 120 alteration reports were filed for locomotive units, and 228 specifications and 166 alteration reports were filed for boilers mounted on locomotives other than steam. These were checked and analyzed and corrective measures taken with respect to discrepancies found.

SPECIAL WORK

In response to requests from military and naval authorities and other Government agencies engaged in the war effort, inspections of various locomotives were made to determine the condition and suitability for use, and cooperative assistance was rendered in other respects. These locomotives are being generally maintained to the standards prescribed by the locomotive inspection law and rules governing the condition of locomotives used on the lines of common carriers, and inspections are currently made by our inspectors.

BUREAU OF MOTOR CARRIERS

The wartime activities of the Bureau largely ended with the cessation of hostilities. The granting of temporary authorities to motor carriers to meet emergency needs of the armed services and war plants dropped 75 percent in volume almost immediately. The accounting work done for the Federal manager of the motor carriers which were taken over by the Government is expected to be completed before the end of the year.

In addition to the percentage increases in rates filed in prior years to meet increasing wartime costs, most of the common carriers in official territory this year made flat increases of 1 cent per 100 pounds on truckloads and 2.5 cents on less-than-truckload traffic. Many of the latter increases will expire December 31, 1945, and others June 30, 1946. A 4-percent increase proposed by a number of carriers in the Midwest was withdrawn after Japan surrendered, before the rates became effective. The practice of many motor carriers of increasing rates on low-rated commodities by means of class rate "stops" was

approved as an emergency measure in *Minimum Class Rate Restrictions*, MC-C-360, 44 M. C. C. 367, 44 M. C. C. 686.

A reduction in tonnage has been experienced by motor carriers, beginning along the eastern seaboard soon after VE-day, and extending throughout the rest of the country after VJ-day. The reduction, however, has not been as severe as was expected, for civilian demands have increased substantially. Embargoes, which were placed in substantial numbers during the war because of carriers' inability to meet all demands, have nearly all been lifted, and new embargoes are being declared mainly where labor troubles interfere with service. During the war, many carriers obtained permission to suspend all or part of their operations because of changes in traffic, lack of equipment and personnel, and restrictions imposed by the Office of Defense Transportation. Requests for removal of such suspensions are being received in increasing numbers.

The number of applications for new or broadened permanent operating rights, which decreased substantially during the war, has already begun to increase, and a further increase is expected. This increase reflects shifts in the flow of traffic occasioned by new points of production and consumption, which were met to a considerable extent during the war by temporary authorities issued under power conferred by the Second War Powers Act. The expiration of that act will no doubt further accelerate the filing of applications for new or broadened operating rights. These will afford a further opportunity to determine the public need for a modification of the limitations now contained in outstanding certificates and for a more definite and uniform description of the authority conferred.

Certificates authorizing service over irregular routes in many cases have been restricted to the transportation of specified kinds or classes of commodities, and, in some instances, authorize transportation in one direction of certain specified commodities with limited service on a restricted list of commodities in the opposite direction. This feature, and the uncertainty resulting from the inability to determine definitely what is embraced in certain commodity descriptions, have been given further careful study during the past year, and progress has been made in correcting the defects and clarifying the existing uncertainties.

The Office of Defense Transportation encouraged or ordered many cooperative activities among motor carriers for the purpose of conserving equipment and increasing efficiency. The continuation of some of such arrangements after the war may be in the public interest.

Other wartime practices seem to involve brokerage of transportation. We have instituted a proceeding for the purpose of considering rules and regulations for brokers of motor carrier transportation.

SECTION OF ACCOUNTS

Up to the present time uniform systems of accounts have been prescribed only for class I motor carriers, which are defined as those having average gross operating revenues (including interstate and intrastate) of \$100,000 or more annually from motor-carrier operations. On October 31, 1945, there were 2,001 carriers of property, 305 carriers of passengers, and 35 carriers of both property and passengers subject to these regulations as contrasted with 1,824 carriers of property, 245 carriers of passengers, and 33 carriers of both property and passengers on the same date last year.

All class I motor carriers are required to file quarterly and annual reports, and class I motor carriers of passengers are required to file monthly reports as authorized by section 220 of the act. These reports are subjected to a detailed office examination for the purpose of detecting errors, omissions, and inconsistencies in order that the reports may be corrected where necessary.

The following shows the number of monthly, quarterly, and annual reports received and examined for errors in preparation and improper accounting practices during the year ended October 31, 1945 (corresponding data for the preceding year are also given):

Kind of report	1944		1945	
	Received	Examined	Received	Examined
Monthly reports—passenger.....	3, 129	3, 364	3, 819	3, 828
Quarterly reports—passenger.....	1, 185	1, 018	1, 247	906
Quarterly reports—property.....	7, 455	6, 672	7, 543	7, 114
Annual reports—property and passenger.....	1, 794	1, 793	2, 059	1, 471

Our accountants conducted examinations of the accounts and records of 764 class I motor carriers, which were informed of changes necessary to bring their accounting procedures into conformity with our requirements. These examinations demonstrated the desirability of more frequent and more intensive field examinations of these accounts and records than we have heretofore been able to make.

The section handled 397 accounting cases in connection with mergers, consolidations, and acquisitions of control under section 5, and 1,777 financial and income statements filed with applications for transfer of rights under section 212.

The revision of the Uniform System of Accounts for class I motor carriers of property which would make available more detailed information relating to costs of transportation service is still under consideration.

Other duties performed during the year included the preparation of financial and statistical exhibits, and other data, for introduction in

rate cases; examinations of accounts and records of motor carriers for the purpose of obtaining evidence of alleged violations of the act and regulations issued pursuant thereto for use by the Section of Law and Enforcement; and the supplying of information to the Office of Defense Transportation and other war agencies.

A total of 372 man-days were expended on audits of accounts of eight motor carriers operated by the Office of Defense Transportation under executive order of the President.

SECTION OF CERTIFICATES

As our annual report for 1937 described in detail the duties of this section, this report will consist of (a) a summary of the status of the various applications handled by this section; (b) a statement showing the number of carriers, other than temporary, and brokers whose operations are subject to regulation under part II of the act, and (c) summarized information relating to (1) the issuance of identification plates; (2) transfers and leases under section 212 (b); (3) temporary authority granted under sections 210a (a) and 204 (f); (4) applications for certificates of exemption under section 204 (a) (4a); and (5) applications for authority temporarily to suspend operations under section 204 (f).

Applications for certificates, permits, licenses, temporary authority, exemption, and operations under second proviso, section 206 (a) filed since enactment of part II of the Interstate Commerce Act

	Cumulative to Oct. 31, 1944	Nov. 1, 1944, to Oct. 31, 1945	Cumulative to Oct. 31, 1945
"Grandfather" applications filed on and prior to Feb. 12, 1936.....	82,767	1—1	82,766
"Grandfather" applications filed after Feb. 12, 1936.....	6,744	7	6,751
Applications for authority to institute new operations.....	21,324	1,505	22,829
Applications for authority to conduct broker operations.....	1,241	26	1,267
Statements under second proviso section 206 (a).....	3,622	375	3,997
Applications for temporary authority under sections 210a (a) and 204 (f).....	17,112	5,651	22,763
Applications for exemption of 1-State operations under section 204 (a) (4a).....	81	21	102
Total applications received.....	132,891	7,584	140,475
Applications approved.....	41,657	5,216	46,873
Applications denied, dismissed, or withdrawn.....	89,888	2,121	92,009
Applications pending.....	1,346	247	¹ 1,593
Total.....	132,891	7,584	140,475

¹ One application previously counted as "grandfather" transferred to broker applications.

² Of the 1,593 applications pending, 60 are filed under the "grandfather" clauses of the act, sections 206 (a) and 209 (a), by motor carriers who claim to have been in bona fide operation on June 1, 1935, as common carriers, or July 1, 1935, as contract carriers. The carriers filing such applications are authorized by the act to continue operations pending determination of their applications.

The following table shows the number of carriers and brokers engaged in motor-vehicle transportation activities whose operations are subject to regulation under part II of the act. Motor carriers operating exclusively under temporary authority granted under sections 210a (a) and 204 (f) are not included. The data include carriers

issued operating authority but which have been authorized to suspend operations temporarily.

	Cumulative to Oct. 31, 1944	Nov. 1, 1944 to Oct. 31, 1945	Cumulative to Oct. 31, 1945
<i>Motor carriers</i>			
Property carriers:			
Common, issued certificates under sections 206 or 207	¹ 16,309	-145	² 16,164
Common under second proviso of section 206 (a)	1,330	44	1,374
Contract, issued permits under section 209	3,240	-26	3,214
"Grandfathers", no final authority issued	122	-50	72
Late "grandfathers", no final authority issued	57	-24	33
Total property carriers	21,058	-201	20,857
Passenger carriers:			
Common, issued certificates under sections 206 or 207	¹ 1,291	2	² 1,293
Common under second proviso of section 206 (a)	182	-12	170
Contract, issued permits under section 209	9	-	9
"Grandfathers", no final authority issued	5	-2	3
Late "grandfathers", no final authority issued	11	-1	10
Total passenger carriers	1,498	-13	1,485
Total motor carriers	22,556	-214	22,342
<i>Brokers issued licenses under section 211 of the act</i>			
Property	74	3	77
Passenger	67	3	70
Total brokers	141	6	147

¹ Two hundred and thirty-one carriers of property and 30 carriers of passengers also conduct some additional operations under the second proviso of section 206 (a).

² Two hundred and thirty-three carriers of property and 26 carriers of passengers also conduct some additional operations under the second proviso of section 206 (a).

Identification plates.—During the past year, because of war conditions, no identification plates were issued. Plates voided or surrendered after cancelation or transfer of operating authorities, or reported lost or destroyed, total 133,085, leaving outstanding 266,837 valid identification plates in the hands of 19,304 carriers.

Applications for transfer of operating rights.—There were submitted, during the year, 1,938 applications for transfer or lease under section 212 (b). During the year, 1,599 such applications have been granted and 148 dismissed or denied. To date, 16,394 such applications have been submitted, of which 14,752 have been granted and 1,360 dismissed or denied. Two hundred and eighty-two are now under consideration.

Temporary authority under sections 210a (a) and 204 (f).—During the past year, 5,651 applications were filed for temporary authority under sections 210a (a) and 204 (f). Upon a showing that there was an immediate and urgent need for service and that there was no carrier within the territory capable of meeting the need, 5,115 such applications were granted. Five hundred and ninety-one did not disclose such facts and were denied. The issuance of final orders upon 98 of the applications granted awaits the filing of appropriate rate publications and evidence of insurance. Since 1938, when this type of authority was first authorized, 22,763 applications have been filed, of which 18,446 have been approved, 4,222 denied, and 95 are under consideration. The number of applications for temporary

authority filed during the year increased 915 percent over the number filed in the year ending November 1, 1940, before the national emergency was declared.

Applications for exemption under section 204 (a) (4a).—During the past year, 21 applications were filed for certificates of exemption under section 204 (a) (4a). No certificates of exemption have been released during the year, and 3 applications have been dismissed or denied. To date, 102 such applications have been submitted. Twenty-five applicants have been issued certificates of exemption, and 56 applications have been dismissed or denied. Twenty-one are now under consideration.

Applications for temporary suspension of operations.—There were received during the year, 406 applications for authority temporarily to suspend operations under section 204 (f). Since that section was added to the act in March 1942, 3,179 such applications have been received, of which 2,603 have been acted upon, 522 withdrawn, and 54 are under consideration. The majority of these applications have been granted, principally for reasons relating to military service, personnel shortages, changes in industrial production, and wartime bans on nonessential transportation services.

SECTION OF COMPLAINTS

The following indicates the condition of the docket of application matters for the year ending October 31, 1945 (corresponding figures for the year ending October 31, 1944, are also given):

	1944	1945
Application proceedings received by section for handling.....	1,099	1,476
Hearings.....	1,121	1,522
Proceedings under submission at end of period.....	188	212
Proceedings disposed of.....	1,416	1,299
Reopened.....	282	159
Number of proceedings pending.....	798	1,134

Four hundred and twenty-four petitions were handled in application matters.

The following indicates the condition of the docket of rate proceedings and proceedings, other than application matters, for the year ended October 31, 1945 (corresponding figures for the preceding year are also given):

	1944	1945
Formal complaints filed.....	27	28
Subnumbers.....	4	3
Investigations instituted.....	29	40
Investigation and suspension cases instituted.....	154	118
Hearings.....	147	116
Proceedings under submission at end of period.....	49	54
Proceedings disposed of, including subnumbers, reopened cases, and cases instituted in the preceding year.....	221	220
Reopened.....	10	26
Number of cases pending.....	165	160

During the year we decided 27 complaint and answer cases and 55 investigation and suspension proceedings, including in each instance cases left from the preceding year.

Six complaint and answer cases and 70 investigation and suspension cases were discontinued at the request of the parties. We decided 57 and dismissed 5 of the investigations instituted by us, including some which had been instituted in the prior year.

SECTION OF FINANCE

Prior reports have described in detail the duties of this section, which relate generally to unifications of motor carriers and issuance of securities. The past year has seen a continuation of the trend toward greater integration of motor-carrier operations. The difficulties encountered by motor carriers because of shortage of manpower and equipment, and rising costs of operation, resulted in hastening the trend toward larger motor-carrier units during the war years. During such period, many motor carriers cooperated closely with each other and coordinated their operations either voluntarily or pursuant to orders of the Office of Defense Transportation. The results frequently proved profitable and beneficial to the carriers concerned, and this experience is likely to stimulate the desire to unify operations or control. Postwar problems facing motor carriers give promise of forcing additional unifications, and an increase in the number of such cases has already manifested itself since the termination of hostilities.

A summary of formal cases handled by the section during the past two report years follows:

	Received				Disposed of				On hand	
	During year		Cumulative		During year		Cumulative			
	1944	1945	1944	1945	1944	1945	1944	1945	1944	1945
Initial disposition:										
a. Applications under section 5 (213) for approval of unifications, including pooling.....	329	310	2,470	2,780	262	281	2,235	2,516	235	264
b. Applications under section 214 for authority to issue securities or to assume obligation or liability.....	14	30	218	248	18	19	215	234	3	14
Reopened cases under sections 5(213) and 214, as above.....	11	13	52	65	4	11	42	53	10	12
Temporary authority applications under section 210a (b), applicable to unification cases.....	133	130	836	966	133	126	830	956	6	10
Total of above.....	487	483	3,576	4,059	417	437	3,322	3,759	254	300
Petitions—general.....	309	308	1,329	1,637	279	328	1,241	1,569	88	68
Grand total.....	796	791	4,905	5,696	696	765	4,563	5,328	342	368

SECTION OF INSURANCE

Acting under authority of section 403 (c) and (d) of part IV of the act, we prescribed rules and regulations under which all freight forwarders subject to our jurisdiction must provide insurance, surety bonds, qualifications as self-insurers, or other securities and agreements for the protection of the shipping public, conditioned upon such freight forwarders compensating shippers and consignees for the loss of or damage to cargo for which they may be held legally liable. We also provided in the rules and regulations that all freight forwarders which hold themselves out to the public to perform or provide transfer, collection, and delivery services within terminal areas must provide insurance, surety bonds, qualifications as self-insurers, or other securities and agreements for the protection of the public conditioned upon the payment of final judgments for bodily injuries to or the death of any person, or loss of or damage to property of others, resulting from the negligent operation, maintenance, or use of motor vehicles by or under the direction and control of the freight forwarders. These rules and regulations became effective August 1, 1945, and the administrative duties involved were assigned to the Section of Insurance.

A considerable amount of correspondence has been exchanged with interested parties for the purpose of informing them as to the requirements stated in the rules and regulations and the procedure for effecting compliance therewith. This initial work is now nearing completion. Approximately 53 freight forwarders have filed insurance or surety bonds conditioned upon the payment of final judgments for bodily injuries to or the death of any person, or loss of or damage to property of others, resulting from the negligent operation, maintenance, or use of motor vehicles in the performance of transfer, collection, and delivery services, while 81 freight forwarders have filed certificates of insurance or surety bonds covering their legal liability to compensate shippers and consignees for loss of or damage to cargo.

During the past year the section received, examined for approval, and filed 48,494 certificates of insurance, 1,086 surety bonds, 8,512 notices of cancelation of policies of insurance and surety bonds, and 754 rescinders of notices of cancelations and notices reinstating previously canceled policies of insurance and surety bonds. It also investigated the qualifications of 6 motor carriers and 1 freight forwarder who were seeking authority from us to self-insure their automobile bodily injury and property-damage liability to the general public and their liability to shippers and consignees for loss of or damage to shipments. In order to make certain that adequate financial resources were being maintained, it received and analyzed 141

financial statements from motor carriers previously found qualified to self-insure, or from corporate sureties, other than surety companies approved by the United States Treasury Department under the "Corporate Surety Act", which had been approved by us on the basis of their corporate authority and financial condition.

In order to keep currently advised as to any apparent inadequacy in the financial resources or general stability of insurance companies filing certificates of insurance with us in behalf of motor carriers and freight forwarders, the section examined and analyzed complete financial statements from 131 insurance companies.

At present, certificates of insurance, surety bonds, or qualifications as self-insurers are on file for approximately 22,500 motor carriers covering their liability to the public for the payment of final judgments for bodily injuries to or the death of any person, or loss of or damage to property of others, resulting from the negligent operation, maintenance, or use of motor vehicles in transportation service in interstate or foreign commerce. Approximately 18,000 motor common carriers of property have filed certificates of insurance, surety bonds, or qualifications as self-insurers to cover their liability to compensate shippers and consignees for loss of or damage to cargo.

SECTION OF LAW AND ENFORCEMENT

The status of complaints and litigation during the year is as follows:

Complaints on hand Nov. 1, 1944-----	615
Complaints since received-----	604
Total complaints requiring attention-----	1, 219
Complaints closed (investigations concluded and reviewed)-----	810
Complaints pending (investigation by field staff instituted or pending)---	409
	1, 219
Classification of violations (including complaints charging more than one violation):	
Operating without authority-----	284
Nonobservance of rates and charges on file-----	121
Unification without authority-----	6
Nonobservance of safety regulations-----	113
Insurance requirements-----	198
Accounting requirements-----	49
Miscellaneous-----	22
Total-----	793

Cases involving litigation	Civil	Criminal	Total
On hand at beginning of current year-----	2	72	74
Court cases instituted-----	19	196	215
Court cases concluded-----	14	215	229
Cases awaiting institution-----	12	45	57

The foregoing figures represent a summary of the work done by the enforcement branch. Of the 229 court cases concluded during the year, 196 involved statutory violations of a criminal nature and resulted in the imposition of penalties totaling \$82,215. An acquittal was had in 3 cases, and the Department of Justice moved the dismissal of 17 cases for various reasons.

Appropriate decrees were entered against defendants in 12 of the 14 civil cases concluded during the year, and the other 2 were dismissed on motion of the Government.

Complaints received during the year numbered 604 as compared with 882 for the preceding year.

The number of complaints closed, recommendations for litigation, court cases instituted, and cases approved for litigation but awaiting filing in court, embracing all cases in which this section effected such disposition as was within its means of accomplishment, total 1,325. This exceeds the total number of complaints on hand and cases awaiting filing in court November 1, 1944, and the complaints since received. This result has been achieved by the increase in working hours during the war emergency, by deploying greatly reduced personnel to the best possible advantage, and by deferring some clerical and recording work which, though important, could be postponed.

An important phase of the work of the law branch is to prepare opinions on question arising under part II of the act. During the past year, 813 requests for legal opinions were received and 882 letters and memoranda relating to legal questions were written. The law branch also has done considerable work in the drafting of modifications of the safety regulations, particularly those pertaining to the transportation of explosives and other dangerous articles, which were necessitated by war conditions. These duties included the preparation of necessary reports and orders pertaining to such regulations. The law branch also participates, through a joint committee organized for the purpose, in the coordination of our administrative functions with those of the Wage and Hour Division, Department of Labor, so far as they deal with the hours of service provisions of the Fair Labor Standards Act and part 5 of our safety regulations.

The briefing unit, whose duties were described in our last report, prepared a total of 170 memoranda and briefs during the year.

Since our last report the law branch has handled 811 informal complaints, chiefly by correspondence with motor carriers and other parties in interest. These complaints involved, among other things, overcharges by carriers, failure of carriers to make prompt or adequate settlement of loss or damage claims, and failure to comply with tariff provisions. This work has been transferred to the field staff.

The section has appeared as an intervener in several proceedings before us. We have requested attorneys from the section to appear and assist in developing the record in special proceedings before us. The section also conducted special investigations assigned to it, such as the one dealing with practices of rate bureaux and their compliance with the rules promulgated under Certificate 44 of the War Production Board.

SECTION OF SAFETY

The publications of general accident reports were as follows: Motor Carrier Accidents 1941-1942 (March 1945); Motor Carrier Accidents 1943 (October 1945); Motor Carrier Fire Accidents 1944 (September 1945); Analysis of Mechanical Defect Accidents of Passenger-and-Property-Carrying Vehicles and Combinations 1944 (October 1945).

A survey was made seeking to improve the reporting practices of motor carriers, which resulted in increased reporting, particularly as regards accidents involving the loading and unloading of vehicles, concerning the reportability of which there apparently was some previous misunderstanding on the part of motor carriers. This resulted in an increased showing of nonfatal injuries and of property damage not otherwise accounted for. Indications are that fatal accidents have been more fully reported. Progress has been made toward reaching a more nearly current basis in the reporting of accidents by the carriers and in the analysis of such accidents by the section. This is an important step forward, as the results of these analyses constitute the principal source of information for formulating means of preventing accidents.

Excessively long hours of service have been reported. Administrative action short of prosecution resulted in correction in numerous cases, but in some instances prosecution was necessary.

In 1944 there were 203 "driver asleep" accidents reported as compared with 263 such accidents in 1943. In the first 6 months of 1945 there were 100 such accidents reported as compared with 131 in the same period of 1944. "Driver asleep" accidents have been codified in 1945 with a view to publishing an analysis similar to those pertaining to fires and mechanical defects, in connection with which analysis the means of preventing such accidents will be discussed.

Considerable work has been done seeking to correct by administrative action the practices of motor carriers whose vehicles were involved in accidents due to fire and mechanical defect. Synthetic tires came into wide use early in the spring of 1945, and failure of the carriers properly to adjust operating conditions to take into account the peculiarities of these tires was one of the problems dealt with by the section.

During the calendar year 1944 and for the first 6 months of 1945 prosecution of carriers for violations of the motor-carrier safety regulations has been principally for failure to have physician's certificate of driver qualifications on file, failure to require drivers to maintain daily logs, and permitting or requiring drivers to drive or remain on duty for excessive hours. Prosecution of drivers has been principally for falsification of daily logs and failure to maintain daily logs.

Subsequent to hearings, an order was entered January 27, 1945, in Ex Parte No. MC-4 prescribing rules and specifications pertaining to heaters to be used in busses. There were hearings on the petition of a manufacturer to permit the general use of reflector devices as warning signals for disabled vehicles in lieu of devices previously prescribed. Favorable action was taken by orders entered in Ex Parte No. MC-4 and Ex Parte No. MC-3, September 24, 1945; and in Ex Parte No. MC-13, No. 3666, and Ex Parte No. MC-3, October 8, 1945.

As in past years the section has worked in close cooperation with the War and Navy Departments and other Government agencies. Extensive investigative and consultive work has been done with Public Health Service on the problems of service-connected disabilities of war veterans in relation to their resumption of employment as vehicle operators.

FIELD ORGANIZATION

The field staff continued to devote considerable time to conditions connected with wartime transportation in addition to the regular and continuing activities of regulation.

Shortage of equipment, manpower, and other facilities tending to reduce the amount of available motor-carrier transportation brought about many embargoes and demands upon our field offices to assist in procuring facilities for movement of emergency war materials.

The foregoing reports of the various sections of the Bureau reflect in part the volume of regular work of the field staff, particularly with respect to applications for operating authority, transfers, accounting, enforcement, insurance delinquencies, and safety. A great many of these matters require original or subsequent handling by the field staff. Particular attention has been given to the handling of emergency temporary operating authority applications, which increased considerably in volume over the past year as the demand for motor-carrier transportation increased to meet the needs of the armed services and shippers of war materials.

Field accountants have spent considerable time on audits for the Federal Manager of Motor Carrier Properties and Facilities, and on special audits of motor-carrier accounts in connection with rate cases before us.

During the year we have ordered all class I motor carriers to file

monthly and quarterly accounting reports with our district offices instead of directly with the Washington office, thereby making it more convenient to obtain compliance with our reporting requirements.

Safety work has been carried on to the extent permissible by our limited staff. During the year we have ordered all class I motor carriers to file monthly hours of service reports and all class II and class III motor carriers to file reports on all violations of hours of service with our field offices for the purpose of obtaining better compliance with these regulations.

We have maintained a field staff during the past year substantially on the same basis as in prewar years, with the exception of many changes resulting from military and war agency assignments requiring replacements. These replacements have been made to the extent personnel was available.

During the fiscal year July 1944, through June 1945, the field staff investigated and reported on 1,698 applications filed by motor carriers for permanent operating authority, 8,942 applications for temporary operating authority, investigated 12,352 complaints, 3,848 insurance delinquencies, and made 1,622 special investigations and surveys.

BUREAU OF SAFETY

A more detailed report of this Bureau is published as a separate document.

Except as otherwise specified, the report here made is for the year ended June 30, 1945.

SAFETY APPLIANCES

The following table shows the result of inspection of safety appliances, together with corresponding data for the preceding year:

	1945	1944
Freight cars inspected.....	1, 414, 674	1, 404, 584
Percent defective.....	3. 18	3. 01
Passenger-train cars inspected.....	30, 198	33, 669
Percent defective.....	3. 15	2. 76
Locomotives inspected.....	17, 314	18, 064
Percent defective.....	3. 88	5. 38
Number of defects per 1,000 units, inspected.....	37. 51	35. 81

During the year, 247 cases of violation of the safety appliance laws, comprising 818 counts, were transmitted to United States attorneys for prosecution. Judgment was confessed in cases comprising 865 counts, 15 counts were dismissed, and 7 counts were tried. Of those tried, judgment was for the Government on 3 counts, and 4 counts await action by the court. On June 30, 1945, cases containing 396 counts were pending in various district courts.

The matter of the installation of reliable and efficient air brakes on railroad cars has been receiving attention over an extended period. About 10 years ago the railroads entered upon a voluntary program which contemplated that all freight cars in interchange service would be equipped with air brakes conforming to revised specifications adopted by their representatives, on or before January 1, 1945. For various reasons, which it is unnecessary to enumerate, this program was not fully adhered to, and on June 30, 1945, only slightly more than one-half of the total cars had been equipped. It was apparent, therefore, that mandatory action was necessary. After hearings at which all interested parties were given an opportunity to be heard, we adopted and prescribed air-brake specifications substantially identical with those which the railroads had been using, and required that air brakes conforming to such specifications be installed on all cars used in freight service, except those equipped with passenger-car brakes, on or before January 1, 1949. *Power Brakes and Appliances for Operating*, 91 I. C. C. 481, 262 I. C. C. 767, and 263 I. C. C. 416.

There has been continued cooperation with the Association of American Railroads with respect to tests of geared hand brakes. Under existing regulations of that association, geared hand brakes intended for application to freight cars must be certified by the association to be in conformity with its requirements. Twelve types of vertical-wheel geared hand brakes and 2 types of horizontal-wheel geared hand brakes have been so certified, and final action on others is pending.

HOURS OF SERVICE

The following table contains statistics for the year and corresponding data for the preceding year:

	1945	1944
Railroads filing hours of service reports.....	709	714
Railroads reporting instances of excess service.....	224	229
Instances of excess service reported.....	146,004	86,891

Forty-nine cases of violation of the hours of service law, comprising 600 counts, were transmitted to United States attorneys for prosecution. Judgment was confessed in cases comprising 230 counts, and 62 counts were tried. Of those tried, judgment in the district courts was for the Government on 31 counts and for the defendants on 31 counts. The case of 5 counts pending in the circuit court of appeals last year has been decided against the Government. On June 30, 1945, cases containing 148 counts were pending in the district courts, and 1 case of 30 counts was pending on appeal.

SIGNAL SYSTEMS, INTERLOCKING, AND AUTOMATIC TRAIN-STOP AND
TRAIN-CONTROL DEVICES

On January 1, 1945, block-signal systems, interlocking, and automatic train-stop, train-control, and cab-signal devices were in use as follows:

Block-signal systems

	Miles of road	Miles of track
Automatic.....	68, 222. 5	99, 736. 3
Nonautomatic.....	44, 308. 1	45, 899. 6
Total.....	112, 530. 6	145, 635. 9

Interlocking

Number of plants..... 4, 387

Automatic train-stop, train-control, and cab-signal devices

	Miles of road	Miles of track	Locomotives
Intermittent ¹	6, 339. 4	11, 757. 8	5, 754
Continuous.....	4, 338. 6	8, 964. 9	5, 013
Total.....	10, 678. 0	20, 722. 7	10, 767

¹ Listed under "intermittent" are 481 locomotives having dual intermittent-continuous equipment.

Detailed information concerning these installations is contained in the annual signal bulletin, compiled separately.

During the year 1,067 applications for approval of modifications of block-signal systems and interlockings were filed by the carriers, 1,053 applications were acted upon, and 11 applications were withdrawn. At the close of the year, action was pending on 129 applications. In 2 of the applications filed, the installation of inductive train communication systems was involved, and one similar application was filed subsequent to the close of the fiscal year.

During the year, 52 applications were filed for approval of modifications of the rules, standards, and instructions prescribed by our order of April 13, 1939, or for approval of extension of time within which certain sections were to become effective, and 49 were acted upon. At the close of the year 3 such applications were pending.

In 98 cases extensions of time have been granted carriers to complete approved projects within the original time limit allowed by our orders, and 10 applications for extension of time have been denied.

Action also has been taken on one application for approval of modifications of an automatic cab-signal installation.

Acting upon conditions disclosed in our investigation of accidents, we have issued orders requiring certain carriers to show cause why they should not be required to make installations of block-signal

systems or other safety devices. As a result of these orders, several block-signal installations have been made, and we have been informed that other installations will be undertaken as soon as material is available.

Monthly signal-failure reports filed by the carriers during the period from July 1, 1944, to June 30, 1945, inclusive, are summarized as follows:

False restrictive failures	43, 599
False proceed failures	224
Potential false proceed conditions	35

During the year, inspections were made as follows:

Block-signal systems	986
Interlockings	1, 630
Automatic train-control and cab-signal devices	445
Centralized traffic-control systems	202
Other similar appliances, methods, or systems	62
Total	3, 325

These inspections have resulted in bringing to the attention of the railroad managements a large number of unsatisfactory maintenance conditions which have been found to exist.

INVESTIGATIONS OF ACCIDENTS

The Bureau investigated 97 train accidents, of which 71 were collisions and 26 were derailments. The collisions resulted in the death of 181 and the injury of 1,305 persons. The derailments resulted in the death of 130 and the injury of 996 persons. The total was 311 killed and 2,301 injured.

The following information relates to nine of the more serious accidents investigated:

Kind of accident	Trains involved	Number of persons—		Cause
		Killed	Injured	
Derailment	Passenger train	35	98	Wide gage of track and excessive speed on sharp curve.
Derailment	do	47	41	Broken rail.
Head-end collision	Passenger train, and passenger train.	29	42	Failure to obey meet order and signal indications.
Side collision	Passenger train, and freight train.	9	95	Adequate protection for cross-over movement not provided.
Rear-end collision	Passenger train, and passenger train.	50	81	Speed not controlled in accordance with signal indications.
Head-end collision	Passenger train, and freight train.	0	177	Do.
Collision	Derailed freight cars, and passenger train.	19	48	Derailed cars obstructing main track immediately in front of train.
Derailment	Passenger train	0	82	Entering open switch at high rate of speed.
Head-end collision	Passenger train, and freight train.	2	61	Failure to obey meet order.

A detailed report covering each accident investigated is made public when completed.

In reports covering 28 of the accidents investigated, we made recommendations as to corrective measures which should be taken by the carriers. In many cases our recommendations have been adopted, not only at the particular points where the accidents occurred, but at other locations where similar conditions existed. Because of the widespread distribution of these reports, many of our recommendations have been followed by other railroads.

GRADE CROSSINGS—RAILWAY WITH HIGHWAY

During the calendar year 1944 there were 3,811 accidents at highway grade crossings which resulted in the death of 1,840 and the injury of 4,216 persons. Automobiles were involved in 3,284 of these accidents, in which 1,512 persons were killed and 3,983 injured. There were 53 derailments of trains as a result of collisions between trains and automobiles, which caused the death of 22 and the injury of 60 persons. Of the total casualties resulting from derailments and other train accidents at highway grade crossings, 8 persons killed and 57 injured were railroad passengers, employees, and persons carried under contract. Information concerning accidents of this character, together with comparable statistics for the preceding 2 years, and the number of crossings, railway with highway, is shown in the following tables:

Accidents at highway grade crossings, years ended Dec. 31, 1944, 1943, and 1942

	1944			1943			1942		
	Number	Number of persons killed	Number of persons injured	Number	Number of persons killed	Number of persons injured	Number	Number of persons killed	Number of persons injured
Accidents at highway grade crossings.....	3,811	1,840	4,216	3,781	1,732	4,217	4,150	1,970	4,616
Accidents at highway grade crossings involving automobiles.....	3,284	1,512	3,988	3,181	1,378	3,944	3,626	1,621	4,386
Derailments of trains as a result of collisions between trains and automobiles.....	53	22	60	55	37	120	78	57	114
Miscellaneous train accidents as a result of collisions between trains and automobiles.....	208	97	118	207	92	148	203	131	137
Automobiles registered.....	30,086,189	-----	-----	30,499,608	-----	-----	32,582,242	-----	-----
Railroad casualties:									
Passengers.....	-----	0	11	-----	0	19	-----	1	56
Employees on duty.....	-----	19	118	-----	12	100	-----	19	70
Persons carried under contract.....	-----	0	1	-----	0	6	-----	0	7
Total.....	-----	19	130	-----	12	125	-----	20	133

Crossings, railway with highway

Years ended Dec. 31—	Number at end of year	Number actu- ally added and eliminated dur- ing the year		Net de- crease	Years ended Dec. 31—	Number at end of year	Number actu- ally added dur- ing the year		Net de- crease
		Added	Elimi- nated				Added	Elimi- nated	
1944	226,357	377	837	460	1939	231,104	868	1,554	686
1943	226,938	825	1,339	514	1928	231,400	641	1,805	1,164
1942	227,496	516	2,694	2,178	1937	232,322	895	1,843	948
1941	229,722	563	1,502	939	1936	232,902	491	2,134	1,643
1940	230,285	730	1,507	777	1935	234,231	887	2,071	1,184

EXAMINATION OF SAFETY DEVICES

Plans of 10 devices designed to promote safety of railway operation were examined by our engineers, and reports thereon were transmitted to the proprietors or their agents.

MEDALS OF HONOR

During the year ended June 30, 1945, six applications for award of medals of honor were filed, and awards were made to the following:

Bert L. Sanders, a guard employed by the General Electric Co., who rescued two small children from the path of a moving passenger train on the line of the Pennsylvania Railroad Co., at Kokomo, Ind., March 6, 1943.

Benjamin B. Clement, an engineer employed by the Chesapeake and Ohio Railway Co. who was blown to the floor of his engine cab by exploding gasoline from an automobile which was struck at a grade crossing. He returned to the flame-filled cab and brought his train to a stop in spite of severe head and body burns, thus saving his train, heavily laden with passengers, from almost certain overturning at a sharp curve beyond. This occurred at Tod's Crossing near Newport News, Va., on October 26, 1944.

James P. Tracy, a switchman employed by the Chicago, Burlington & Quincy Railroad Company, who rescued a 13-year-old school girl from the path of a moving passenger train on the line of that carrier at Ottumwa, Iowa, September 21, 1944.

Roy A. Powers, employed as a track foreman by the Chicago, Milwaukee, St. Paul and Pacific Railroad Co., who rescued an aged woman from the path of an approaching passenger train on the line of the Chicago, Burlington and Quincy Railroad at Rockford, Ill., June 14, 1943.

James N. Royal, a conductor employed by the Atlantic Coast Line Railroad Co., who rescued an unconscious man from the path of

moving cars being pushed on a yard track of that carrier at Copeland, Fla., October 6, 1944.

Since the passage of this act 90 applications have been filed, of which 56 have been approved and 34 denied.

BUREAU OF SERVICE

The activities of the Bureau during the past year have been continued along the same lines as in the preceding year. It has continued to work in close cooperation with the Army, and Navy, and other Government agencies, and with the Association of American Railroads, American Short Line Association, Car Efficiency Committees, and Shippers and Advisory Boards.

The United States is divided into 16 zones with a service agent in charge of each zone having offices in the principal railroad centers. A staff of approximately 60 service agents is maintained at strategic points.

During the year our service agents have made investigations of thousands of records and matters regarding delay in loading and unloading cars, traffic and troop movements in terminals and on line of road, circuitous routing, misuse of railroad equipment, back hauling and cross hauling of cars, congestion of ports, freight-house congestion, movement of less-than-carload freight, condition at destination points of shipments of perishables moving with and without ice, loading of refrigerator cars west-bound which were formerly returned empty, failure to furnish cars for loading grain, coal, and other commodities, and the necessity for icing fresh fruits and vegetables to prevent spoilage. From September 1, 1944, to August 31, 1945, there were 12,381 reports rendered on car detention alone.

The Office of Defense Transportation made reductions in its field force of the Railway Transport Division in July 1944. Since that time, all cases of car detention have been handled by this Bureau.

Investigations have been made of improper loading of commodities. The heavy war traffic resulted in cars being used which were unsuitable for service. In some cases these were offered in interchange to connecting lines and refused. Complaints of such instances made by individual roads were investigated. During the reconversion period the railroads are repairing as much equipment as possible with their undermanned shop forces.

Continued attention has been given to the return of cars moving to Mexico, Canada, and Cuba. While hostilities continued, restrictions were kept in force on carload movements of certain commodities from one foreign country through the United States all-rail to another foreign country, to conserve car days and motive power badly needed within the boundaries of the United States. The restrictions imposed have contributed to the general improvement in car turn-around time.

Manpower shortages on the railroads, especially on the western lines, have contributed to delays to equipment and seriously affected rail operations. In the fall of 1944 their most critical shortages were in the train and engine service and in the shop crafts. Following repeated representations, the War Production Board and the War Manpower Commission accorded national manpower priorities for switchmen, firemen, and brakemen and the shop crafts on 13 selected western carriers. This treatment was subsequently accorded to other carriers in the region.

In the spring of 1945 a determined effort was made to obtain additional workers especially for the western roads. Selective Service issued a directive providing in effect a moratorium on the drafting of skilled railroad workers west of the Mississippi. The Army provided assistance through an intensive recruiting campaign and through the furloughing of some 4,000 soldiers for work on western railroads. Since the surrender of Japan all manpower controls have been released. In September the Mexican track laborers, brought to this country as a war measure, were being returned to their home country.

Strikes are now causing considerable car detention. We are watching the situation closely, placing embargoes and arranging for stoppage of shipments to points seriously affected by strikes. The use of embargoes increased during this year over previous years. During the period September 11, 1944, to September 15, 1945, inclusive, 1,380 embargoes were placed.

During the past fall, winter, and spring, assistance was rendered in the movement of petroleum and petroleum products in tank cars. Extensive surveys were also conducted of operations at representative refineries with the view of improving car handling at all plants. Definite results were accomplished.

Active solicitation was made of shippers to utilize the provisions of Service Order No. 104 to secure the loading of refrigerator cars in west-bound transcontinental movements in lieu of boxcars.

Remedial measures have been taken regarding unnecessary weighing and the holding of cars for diversion and reconsignment. It has been necessary throughout the year to reroute and divert traffic to avoid congestion of terminals and roads temporarily unable to handle traffic because of congestions, floods, landslides, wrecks, or other interferences.

A series of snow and ice storms during the winter paralyzed rail operations in the Great Lakes region necessitating drastic embargoes over the entire northeastern section of the country until conditions cleared. A large part of our field force was sent into that territory to assist in breaking the congestion. An agent was appointed to divert traffic around the blocked territory. Passenger trains were

suspended, and the engines and crews used to move freight and to break the blockade.

More grain was transported last year than ever before. The car supply was seriously curtailed on account of severe weather conditions, and solid trains of empties were run into the grain belt to relieve the situation. By fixing quotas of empties for daily movement through various gateways to the grain territory, it was possible to move all of last year's crop before this season's crop movement began.

The critical car supply for the grain movement this year again made it necessary for us to assign several service agents to assist in regulating the car distribution at Kansas City during the Southwest harvest season, and at Minneapolis during the movement from the Northwest. The work of permit agents also has been very effective in the handling of this and last year's grain crop.

The joint ICC-ODT Grain Committee has continued to be of great assistance in the elimination of wasteful practices in connection with the movement of grain and grain products.

The movement of cotton by permit has been effective in avoiding car shortages.

The agents located at Cleveland, Ohio, New York, N. Y., and Norfolk, Va., to regulate and control the movement of coal to the lake ports and to Atlantic ports for transshipment by vessel, have prevented delay to cars and provided for the orderly and prompt movement of coal. Considerable export coal was also handled promptly. The agents will continue in this work until the export movement is completed.

The agent appointed to control and regulate the movement of petroleum in the New York Harbor area did effective work in eliminating congestion and delay to tank-car equipment.

The agent who was authorized to divert or reroute transcontinental traffic issued a total of 313 such orders and numerous amendments. Since our last report, 34 orders and many amendments have been issued. These were responsible for an orderly movement of a record amount of traffic.

The movement of fresh fruits and vegetables last year broke all records. The shortage of refrigerator cars necessitated our taking three service agents from their regular duties and having them supervise the distribution of refrigerator cars in California, the Rio Grande Valley, and the State of Washington.

The work of the agent appointed to distribute the refrigerator car supply of the Nation has furnished the necessary control for the prompt and satisfactory movement of the record-breaking crops of fresh fruits and vegetables. Since his appointment, 454 orders and numerous permits and amendments have been issued.

During the year, investigations of switching practices were made

at a number of industries under Ex Parte 104, part 2, and our representatives participated in the formal hearings.

As quickly as possible after the surrender of Japan, a review was made of outstanding service orders. A number were vacated and the remaining orders will be vacated as promptly as conditions permit.

The surrender of Japan brought relief to some extent to the transportation situation. It is apparent that the heavy demands for service made on the railroads caused deterioration of equipment and that attention must be given to necessary repairs to both cars and locomotives. The fall peak of traffic is upon us, and the heavy troop movement continues. Close attention is being given to the efficient use of cars and other transportation facilities.

SECTION OF EXPLOSIVES

The work of this section has greatly increased following the training of our field force in observing, reporting, and correcting violations and irregular practices on the part of carriers and shippers of explosives and other dangerous articles.

One additional explosives agent was employed to specialize on motor carriers and to deal with shippers using that type of transportation.

Altogether the field force of the Bureau of Service and 3 explosives agents made 715 reports of violations of our regulations. The reports rendered covered 301 instances of failure to remove placards from railroad cars after explosives or other dangerous articles were removed or to replace placards that were missing; 128 failures to give notice to, or keep advised, train and engine crews, of cars of explosives in trains; 53 instances of improper switching of placarded cars; 70 instances of improper billing of shipments; and 88 instances of improper placement of placarded cars in trains. Several instances of improper preparation of shipments, failure to retest containers, and failure to mark trucks were also reported and investigated.

A total of 30 cases of violations on the part of rail carriers were submitted to the Bureau of Inquiry with recommendations for prosecution. Many others of a minor nature were corrected on the ground or by correspondence. Two such cases have resulted in fines against carriers in the amount of \$900, and 7 others have been referred to United States Attorneys for action. Six cases involving improper practices on the part of shippers using highway carriers have been recommended for prosecution to the Bureau of Motor Carriers.

A total of 14 special permits were granted shippers to enable them to ship materials in nonspecification containers in order to meet wartime conditions, but only after all safety precautions were taken. In general, we have launched upon an enlarged program covering all phases surrounding the transportation of dangerous articles.

The rail carriers reported 990 accidents in connection with the transportation of dangerous articles, which resulted in 125 fires, 2 deaths, and injury to 40 persons. Two deaths and injury to 2 persons resulted from the transportation of gasoline. Three fires were caused by leakage of gasoline at bottom of discharge outlet of tank cars, and 9 fires were caused by derailments. There were 5 fires, 2 explosions, and 1 injury due to explosives.

Despite the increase in the amount of high explosives transported by rail, there has been only one fatality to a railroad employee in the past 11 years as a result of an accident in connection with the movement of explosives, and that occurred in 1939.

EMERGENCY SERVICE ORDERS

Under emergency powers conferred upon us by section 1 (15), (16) and (17) of the Interstate Commerce Act, division 3 issued 239 emergency and vacation orders, and 93 amendments during the period September 11, 1944, to September 18, 1945, inclusive. In addition, the Bureau of Service issued 1,188 special and general permits during the same period. These orders were necessary to facilitate the free flow of traffic and to prevent car shortages. All service orders are vacated as soon as the necessity for them has passed. As of September 24, we have 39 service orders in effect and 2 under suspension. The subjects upon which orders were issued are listed below.

Service orders restricting icing of perishables.—During the year serious difficulty was again encountered in the movement of perishables traffic due to the shortage of ice. Similar conditions to those described last year were responsible. Thirteen orders were issued to avoid delays to transportation.

Service orders prohibiting reconsignment of fresh fruits and vegetables.—To expedite the movement and release of refrigerator cars, 4 service orders were issued prohibiting reconsignment.

Preferential movement of refrigerator cars to California and Arizona.—The heavy movement of traffic to the west coast was preventing the movement of empty refrigerators to California and Arizona for the loading of perishables. Service Order No. 338 was issued to insure an adequate car supply.

Service orders affecting demurrage rates.—The increasing shortage of cars of all types made it necessary to issue five orders increasing demurrage charges to expedite the release of equipment covering refrigerator cars, boxcars, tank cars, and covered hoppers.

Service orders directing the unloading of delayed cars by railroads.—A number of cases were brought to our attention where cars were unduly delayed for various reasons. In order to release these cars and

return them to service, 36 orders were issued instructing the railroads to unload the cars.

Movement of cotton under permits.—Manpower shortage at cotton compresses in the Mississippi Valley region was causing excessive detention to cars. In order to correct this situation Service Order No. 249 was issued requiring permits before cotton could be loaded and shipped.

Prohibiting transportation of horses and dogs for racing purposes.—The use of baggage and freight cars for the transportation of horses and dogs for show and racing purposes was contributing to congestion and delaying the movement of troops, material of war, and civilian supplies. Two orders were issued to correct the situation.

Prohibiting loading of freight in California and Arizona on Sundays and holidays.—In order to accumulate sufficient empty refrigerators for loading and to enable the railroads to at least partially clear the east-bound traffic that had accumulated during the week, Service Order No. 332 was issued prohibiting the loading of freight in California and Arizona on Sundays and holidays.

Preference in the movement of empty cars.—The heavy movement of loaded equipment to the Pacific coast resulted in an accumulation of empty equipment which was congesting the terminals in that area. To enable the railroads to move the empty cars towards the grain belt where they were badly needed, Service Orders No. 317 and No. 341 were issued.

Prohibiting placement of empty cars at mines for loading.—At the request of the Solid Fuels Administration and in order to prevent substandard coal being shipped by certain mines, nine orders were issued prohibiting the placing of cars at such mines for loading.

Rerouting of traffic.—Since our last report, it has been necessary to issue 13 orders rerouting traffic.

Transportation priority for disabled military, naval or merchant marine personnel.—On receipt of certificate No. 3 of Preference and Priority in Transportation, Service Order No. 213 was issued requiring every common carrier by railroad and every sleeping-car company to afford preference and priority in transportation over all other traffic to invalid service men and their attendants en route to or from a point of hospitalization.

Miscellaneous.—A large number of orders have been issued on various subjects, such as, reduction in free time at ports, restrictions on stop-off cars for partial unloading, prohibiting peddling of wine grapes from refrigerator cars, embargoing a produce dealer for delay in releasing refrigerator cars, distribution of grain boxcars, reconsignment of hay, movement of order-notify grain and grain products, restriction on free time and set-back cars of grain, et cetera.

BUREAU OF TRAFFIC

On January 1, 1945, the Section of Tariffs of the Bureau of Motor Carriers was merged into the Bureau of Traffic. Thereby all general administration of matters relating to tariffs, schedules, and rates of all types of transportation agencies regulated by us was centered in a single bureau, in the interest of closer coordination of such activities.

There were filed during the year, 4,002 tariff publications containing all-forwarder or forwarder-motor rates. As in the preceding year, progress in securing the correction of deficiencies in this class of tariffs has been retarded by war conditions. Uncertainty as to the life of section 409, which, as amended, now authorizes the maintenance of joint forwarder-motor rates for a limited period only, expiring in February 1946, the matter of modification of which section is now the subject of pending legislation, and prospective changes in rail class rates as a result of the recent decision in the general class-rate investigation have also had a deterring effect in securing the comprehensive revision of freight-forwarder tariffs necessary to provide for specific point-to-point rates in lieu of referring to rail tariffs for the purpose of determining the applicable rates.

Abnormal economic and transportation conditions and curtailed personnel have continued to affect the extent, character, and distribution of the work of the Bureau. Over 25 percent of the protested rate adjustments, suspension of which was requested, and over one-third of special-permission applications for publishing changes on short notice, together with many of the fourth-section applications, were directly connected with war activities.

Data covering particular activities of subdivisions of this Bureau are shown below. The figures shown cover the entire year and embrace the activities which, prior to its merger in this Bureau, were conducted by the Section of Tariffs of the Bureau of Motor Carriers.

SECTION OF TARIFFS

There were received for filing 112,158 tariff publications containing changes in freight, freight-forwarder, express, and pipe-line rates, passenger fares, and freight classification ratings, including those affecting transportation by motor vehicle formerly filed with the Bureau of Motor Carriers. This figure also includes schedules of minimum rates and charges filed by contract carriers by motor vehicle and by contract carriers by water. Of these tariff publications, 1,024 were rejected for failure to give the notice required by the statute or to conform to prescribed regulations. Tariff publications were criticized in 9,917 instances as not being in conformity with the act or our tariff rules. Powers of attorney and certificates of concurrence filed aggregated 18,891. Applications received seeking special permission to establish rates or fares on less than statutory notice or

waiver of certain of our tariff publishing rules numbered 8,434. Specific orders entered granting, amending, or revoking special permissions numbered 9,060. There were received and filed 846 copies of traffic contracts between common carriers and 3,333 copies of contracts between contract motor carriers and shippers governing the charges of such carriers for transportation for such shippers. The issuance of certificates and permits to motor carriers and the transfer of such operating rights are conditioned on compliance with our tariff rules. Compliance with the tariff rules was checked in 2,209 certificate and permit matters and in 2,471 transfer matters. Rate matters involved in 9,184 applications for temporary authority to establish new and extended motor operations, more than 85 per cent of which had to do with the war effort and called for expedited handling, were acted on during the year.

SUSPENSIONS

Rate adjustments were protested and suspension asked in 517 instances. Of these protested adjustments, 322 represented increases, 146 represented reductions, 37 represented both increases and reductions, and 12 neither increases nor reductions. They covered a large number of rate schedules, comprising many thousands of rates.

The following action was taken on the requests for suspension:

Suspended (including supplemental orders)	183
Refused to suspend	253
Schedules rejected, requests for suspension withdrawn, or protested schedules withdrawn	81
Total	517

Of the suspended adjustments, 55 were disposed of through informal proceedings, together with 25 adjustments suspended during the previous year.

Rail carriers protested 11 motor adjustments, and motor carriers protested 9 rail adjustments, while water carriers protested 9 rail adjustments, and rail carriers protested 3 water adjustments. As to freight-forwarder adjustments, 4 were protested by competing freight forwarders. All of the adjustments referred to in this paragraph represented reductions in rates.

Among the protested increased-rate adjustments, 133 were filed by the War Department, the Office of Price Administration and other Government agencies and 10 by State commissions.

THE FOURTH SECTION

The number of applications was 539. The number of orders entered in response to applications was 515, of which 28 were denial orders, 257 were orders granting continuing relief, and 230 were

orders authorizing temporary relief. Twenty-five formal reports were issued.

Applications withdrawn, wholly or in part, after correspondence with carriers, numbered 15; and 24 applications or portions thereof were heard in fourth-section proceedings.

The number of petitions for modification of orders was 244, of which 207 were granted, 12 were denied, 3 were withdrawn, and 22 are pending.

EXPRESS

Of the tariff publications filed, 670 represent changes in express rates and classification ratings. Of the applications received seeking special permission to establish rates on less than statutory notice or waiver of certain of our tariff-publishing rules, 39 related to express rates.

RELEASED RATES

There were filed 24 applications for authority, under sections 20 (11), 219 and 413 of the act, to establish rates dependent upon declared or agreed values, and 2 such applications were pending at the beginning of the year. Of these, 13 were granted, 6 were denied, and 6 were withdrawn, and 1 is pending.

BUREAU OF TRANSPORT ECONOMICS AND STATISTICS

The Bureau of Transport Economics and Statistics regularly prepares a series of statistical publications based on reports filed with us by the various classes of carriers subject to our jurisdiction. The work load of this Bureau in terms of the number of reports tabulated for such publications continues to increase. During the year ended June 30, 1945, the total number of statistical reports received in this Bureau for tabulation was 48,710, of which 3,992 were annual reports. These figures compare, respectively, with 46,023 and 3,483 received during the preceding fiscal year. The principal cause of the increase between the 2 years was the growth in the number of class I motor carriers filing reports in the present as compared with the preceding year. However, the enlargement of our jurisdiction has also been a factor in the increased number of the reports now handled by the Bureau as compared with earlier fiscal years. Since 1940 there has been an increase of 48.8 percent in the annual and 22.6 percent in the total reports received.

A list of the regular statistical publications of the Bureau is given in the annual "Statistics of Railways in the United States."

The impossibility of obtaining sufficient clerical personnel to enable the Bureau to keep abreast of its statistical tabulation work was referred to in our report for the fiscal year 1944. The backlog of work has continued to rise during 1945. Tabulation of the monthly

freight commodity statistics of class I steam railways for January 1945 was not begun until October and the motor-carrier statistics have not for some time been on a current basis. The tabulations for the Statistics of Railways in the United States are more than 2 months behind schedule, and there will be equal or greater delays in completing the tabulations of the 1944 annual reports of other types of carriers. The general research and cost units of the Bureau have also been delayed and impeded in their work by personnel difficulties.

At the request of the Office of Defense Transportation and of the Bureau of the Budget, the Bureau on August 1, 1944, undertook the work of forecasting monthly the prospective volume of freight carloadings. Because of budget limitations, however, it became necessary to discontinue this work. The final issue of this forecast of freight traffic was published September 28, 1945.

In addition to its work in preparing statistical publications based on reports filed with us, the Bureau, as a part of its general research work, issues from time to time special analyses and statistical studies dealing with various aspects of transportation. Since our last report, the Bureau has issued the following research studies:

1. *War-built pipe lines and the postwar transportation of petroleum.*—This study sets out prewar trends in the transportation of petroleum, explains the difficulties caused by the loss of domestic tanker service during the war and how these difficulties were met, compares the costs of transporting petroleum by the various media, describes the war-built pipe lines, and analyzes their post-war competitive position.

2. *Practices of motor carriers of property in the division of revenues on joint hauls.*—A description, analysis, and appraisal of the divisions practices of motor carriers, together with information as to the characteristics of shipments and as to physical interchange practices.

3. *Operating costs of intercity motor carriers of passengers.*—A statistical analysis, on the basis mainly of 1940 data, of bus operating costs in terms of gross weight, age, and annual mileages of vehicles and of the regions in which they are operated.

4. *Railroad abandonments, 1920-43.*—The extent, nature, and causes of abandonments in this period are analyzed, as are denials of application to abandon and the effects of abandonments on communities.

5. *Some aspects of postwar air and surface transportation.*—This study is a collection and evaluation of data bearing on the probable growth of air traffic in the early postwar period and the possible diversion of surface tonnage and surface passengers to the airlines. It contains tables showing the comparative ton-mile cost of transport for airlines and surface carriers, and on the basis of this comparison and other considerations concludes that possibly one-third of the Pullman-type traffic may be diverted to the airlines by 1950 and that no considerable diversion of second-class passenger traffic will occur.

While current research is shown to point to a large increase of cargo traffic in the early postwar years (1947-49) the total air cargo is not expected to exceed one-tenth of 1 percent of the total of the cargo traffic of all carriers.

Another phase of the Bureau's research work is the study of the costs of transportation. During the past fiscal year, the cost section of the Bureau has continued to participate in numerous rate cases involving the development and analysis of costs. The most important new general studies undertaken by this unit during the fiscal year have been the assembly of motor-carrier costs in the South and western trunk-line territory based on a large representative group of the carriers in these areas. A noteworthy feature of these studies has been their synchronization and coordination with studies of motor traffic based on motor-carrier waybills from these areas. This will make available, for use in rate proceedings, greatly expanded information as to traffic flow, rate structure, and transportation costs by commodities, type of rate, size of shipments, mileage blocks, and the like.

The studies of motor-carrier waybills for use in developing the rate structure and refining the work of cost analysis is one phase of a long-term program for studies of this character involving rail, motor, and other carriers. For the purpose of analyzing the rail-rate structure and related costs of transportation, approval was given early in the fiscal year to a program for such work based on the rail waybills and abstracts collected by the Board of Investigation and Research. These data, with the approval of the Bureau of the Budget, were transferred to us at the expiration of the life of the Board. During the year, in cooperation with the Bureau of Traffic, an analysis of several commodities has been undertaken. Considerable progress has been made on these studies.

As in the past, the Bureau has endeavored to the best of its ability to comply with the numerous requests for statistical and other information regarding transportation made upon it by the war agencies, other Government departments and the general public.

Several revisions of our prescribed report forms for the use of the carriers in submitting their returns were made during the year. With minor qualifications, these revisions were required to bring the reports in question into conformity with changes in the accounting classifications. Appendix C of this report presents condensed statistical summaries of data compiled from the reports of the various carriers insofar as those data are available.

BUREAU OF VALUATION

During the year ended October 31, 1945, this Bureau has been principally engaged in auditing field reports and bringing to later

dates inventories covering extensions, improvements, retirements, and other changes in the properties of railroads for which valuations have previously been made, as required by section 19a (f) of the Interstate Commerce Act; preparing original valuations and reports on six newly created carriers by pipe line as required by paragraphs (a) and (b) of the same section; supplying valuation data in connection with our current regulatory work, and supplying valuation data to other Government agencies, States, counties, cities, and to the general public.

The Bureau furnished statements of original cost to 21 carriers for use in setting up new investment accounts after reorganizations, consolidations, and mergers, in accordance with our requirements. Statements of original cost were also furnished to 252 carriers for depreciation accounting purposes. Accrued depreciation has been computed upon and furnished to 126 railroads for use in connection with reorganization or merger proceedings. Initial depreciation rates have been supplied for 22 carriers for use in complying with our order of October 6, 1944, which added 4 accounts to the list previously specified. Revisions of depreciation rates previously established were furnished to a number of carriers during the year.

The Department of Justice was assisted in 5 condemnation proceedings which were in progress when all work by the Bureau for war agencies was stopped on account of reduction in appropriation. Work is now in progress on the elements of value, material and supplies, and maintenance reports on the Toledo, Peoria & Western Railroad at the request of the Office of Defense Transportation in connection with termination of Government possession and operation.

The Bureau supplied valuation data to States, counties, cities, financial institutions, individuals, and companies in response to over 310 requests.

The ceiling of positions for the Bureau has been reduced from 165 for the fiscal year 1944 to 110 at the beginning of the current fiscal year 1946 owing to reduced appropriations. These continued reductions in appropriations are having a serious effect upon our ability to secure essential information in regard to changes in property, costs, and values, and upon the work of bringing data down to later dates, and in our compliance with numerous requests for data from other Governmental bodies. Continued suspension of further work on bringing inventories and original cost of the pipe-line companies to later dates has been necessary on account of lack of funds.

The records which have been built up and maintained by the Bureau, being the only such records in existence, are invaluable to us and the public and should be kept up to date.

BUREAU OF WATER CARRIERS AND FREIGHT FORWARDERS

The Bureau is assigned the administrative work connected with the determination of water-carrier applications filed under part III of the act for operating authority or for exemption, and applications filed by persons seeking permits to operate as freight forwarders subject to part IV. Other administrative duties assigned to the Bureau include those arising under various sections of the act with respect to the classification of water carriers, relief of water carriers from the provisions of part III because of foreign competition, and inquiries into the management of the business of water carriers. Another function of importance embraces investigations of complaints as to compliance. Hearings with respect to the above matter generally are conducted by the Bureau of Formal Cases. The Bureau also functions with other bureaus in an advisory capacity with respect to matters affecting the regulation of transportation by water carriers and of freight forwarders.

Initially the principal task of the Bureau was in connection with applications filed soon after parts III and IV became effective, by water carriers for "grandfather" rights or exemption, and by forwarders for authority to continue operations in which they were engaged. Determination of the scope and type of services performed by the applicants was important as the first step in effecting the plan of regulation provided in parts III and IV of the act. The conditions pertaining thereto are described in our last annual report under the heading of "Operating Authorities." That phase of the work has been substantially completed. Most of the "grandfather" and interim applications now pending have reached a point at which disposition within a reasonably short time may be expected. In addition, regulations contemplated by parts III and IV have been prescribed. We have issued only such regulations as we have deemed necessary to the proper administration of the provisions of those parts of the act.

Some details of the work of the bureau in connection with applications are stated below:

WATER CARRIERS

To date, of the 1,107 applications by water carriers for authority to continue or institute operations, 1,060 have been acted upon. Three hundred nineteen common-carrier certificates of public convenience and necessity, 66 contract-carrier permits, and 129 temporary authorities have been issued. Four hundred ninety-seven of such applications have been dismissed or denied, principally because applicants' services are not subject to our jurisdiction under part III of the act.

Because of war and other emergency conditions, during the year

ended October 31, 1945, 22 orders were issued granting temporary authority under section 311 (a) to 17 water carriers subject to the act to afford service for which there was an immediate and urgent need and which could not be met by other carrier operations. During the same period, 3 orders granting temporary authority were issued under section 311 (b) authorizing prospective purchasers to operate properties they were seeking authority to acquire.

During this year 29 applications were filed for authority to institute new services or to extend existing operations. In recent months there has been considerable evidence of prospective applications for water-carrier certificates and permits and of a growing interest in the inauguration of new types of service or methods of operation. Also it is apparent that many water carriers are preparing for resumption of operations which they were forced to suspend, or readjustment of their operations to new and peacetime conditions.

It is expected that in the immediate postwar period there will be many changes in the character and volume of traffic of water carriers. These no doubt will present problems affecting regulation. We commented upon this subject in our last annual report under the heading of "Problems in Regulation of Water Carriers." The study we there referred to is in progress and will be completed in the near future. It was undertaken pursuant to the provisions of section 304 (b) of the act in order that we might be informed as to conditions in the industry and the management of the business of water carriers and of persons controlling, controlled by, or under common control with such carriers. One phase thereof relates to the effects of the war on the industry and rehabilitation of suspended water-carrier operations.

Section 313 (b) of the act provides, among other things, that we may require any water carrier engaged in transportation subject to part III of the act to file a copy of any contract, charter, or agreement between such carrier and any other carrier or person in relation to transportation facilities, service, or traffic affected by the provisions thereof. We have not seen fit, as yet, to exercise this authority. However, by order of February 10, 1945, division 1 instituted an investigation upon its own motion for the purpose of determining whether contract carriers by water should be required to file copies of contracts, charters, or agreements with shippers for the transportation of property or other services incidental thereto, and, if so, what rules and regulations should be prescribed to cover the filing thereof. Interested parties have been afforded an opportunity to file statements or briefs in favor of, or in opposition to, such requirement, and to present evidence. Relatively few parties responded. There was no request for hearing. It is expected that a proposed report in the proceeding will be served in the near future.

A summary of the status of the work in connection with water-carrier applications follows:

Water-carrier applications

Applications filed to Oct. 31, 1945:

For authority to continue operations under "grandfather" clause.....	775
For authority for new operations.....	84
For authority to continue (formerly exempted) operations by small craft.....	17
For exemption.....	417
For authority to extend operations.....	9
For temporary authority.....	222

Total..... 1, 524

During period Nov. 1, 1944, to Oct. 31, 1945, inclusive:

Certificates issued:

Authorizing continuance under "grandfather" clause.....	3
Authorizing new operations.....	8
Authorizing small craft operations.....	1

Permits issued:

Authorizing continuance under "grandfather" clause.....	3
Authorizing new operations.....	1

Orders issued:

Granting temporary authority.....	22
Extending temporary authority.....	22

Substitution applications:

Approved.....	2
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Applications dismissed or denied:

For exemption.....	5
For authority to continue operations under "grandfather" clause.....	16
For authority for new operations.....	8
For authority for small-craft operations.....	7
For authority to extend operations.....	1
For temporary authority.....	13

	Formal hearing	No formal hearing	Total
Reports issued in connection with applications:			
On applications for exemption.....	3		3
On applications to continue operations under "grandfather" clause.....	6	3	9
On applications for new authority.....	5	4	9
On applications for small craft.....		1	1
On reconsideration.....	17	4	21
Short-form certificates, permits, and orders issued:			
On applications to continue operations under "grandfather" clause.....		12	12
On new operation.....		7	7
On small craft.....		6	6
On exemption.....		1	1
Show cause orders.....		4	4
Total number of reports issued.....	31	42	73
Applications pending:			
For authority to continue operations under "grandfather" clause.....	22	13	35
For authority for new operations.....	10	13	23
For exemption.....	4	4	8
For authority to extend operations.....		4	4
For temporary authority.....		1	1
Total.....	36	35	71

FREIGHT FORWARDERS

During this year, 11 freight forwarder applications were filed, and 5 applications were filed seeking transfer of permits or operating authority to persons other than the original applicants. To date a total of 173 applications have been filed, of which 136 have been disposed of and 37 are now pending. Seventy-eight permits have been issued, 37 applications were dismissed, and 27 were denied. Dismissals were due for the most part to the fact that applicants either were not freight forwarders within the definition contained in the act or were engaged in operations which are exempt under the provisions of section 402 thereof. The applications which were denied were in most instances filed by wholly owned subsidiaries of other freight forwarders which sought authority duplicating that granted to the parent or affiliated company.

The act approved May 16, 1945 (59 Stat. L. 169), extended to February 16, 1946, the period within which motor carriers and freight forwarders were authorized by section 409 to continue the maintenance of joint rates. That authority, originally for a period of 18 months, was by act approved November 12, 1943 (57 Stat. L. 590), extended for an additional 18 months, which time would have expired May 16, 1945: The period was to afford reasonable time for the establishment by motor carriers of assembling and distributing rates pursuant to the provisions of section 408. Little or no progress has been made in that respect.

Insurance regulations applicable to freight forwarders have been prescribed pursuant to the provisions of section 403 (c) and (d), effective August 1, 1945. Under these regulations forwarders may not lawfully engage in services subject to part IV unless and until there are filed with us certificates of insurance or other securities as required therein. A majority of the freight forwarders properly have met these conditions, but, to date, a number of them have not fully complied therewith. To some extent this may be due to a misunderstanding of the rules rather than willful neglect. Appropriate steps are being taken to insure prompt compliance.

Under section 404 (d), two or more freight forwarders may enter into agreements for the joint loading of traffic between points within the scope of their permits. We may suspend, or require the modification or cancelation of any such agreements which we find, after reasonable opportunity for hearing, to be inconsistent with the national transportation policy declared in the act. In several proceedings involving the determination of applications for freight-forwarder permits, certain facts were developed from which it appears that some forwarders misconstrue the correct meaning of "joint loading" and include in their arrangements therefor practices which are not within

the purview of the provisions of the subsection mentioned. Therefore, on September 12, 1945, division 1, by order issued under authority contained in section 412 (a), required that contracts between two or more freight forwarders for joint loading or for terminal services and facilities be executed in writing and that copies of all of such contracts be filed.

LEGISLATIVE RECOMMENDATIONS

We submit the following recommendations for legislation:

1. We recommend the enactment of S. 47, which would have the effect of making certain changes of a minor nature in the Interstate Commerce Act recommended in our annual reports for 1943 and 1944.

2. We recommend the enactment of S. 1291, which would provide for the regulation of consolidations and leasing of freight forwarders, and would also add a number of other important provisions to the Interstate Commerce Act recommended in our annual report for 1944.

3. We recommend the enactment of S. 1290, which would comprehensively revise the Transportation of Explosives Act, as recommended in our annual reports for 1943 and 1944.

4. We recommend the enactment of S. 46, which would amend the Locomotive Inspection Act to provide for the appointment of five additional locomotive inspectors and make an adjustment in salaries.

5. We recommend the enactment of S. 1253, which would add a new section (20b) to the Interstate Commerce Act, permitting adjustment of railroad indebtedness without resort to judicial reorganization under section 77 of the Bankruptcy Act.

6. We recommend the enactment of S. 864, which would add to the Interstate Commerce Act a number of new sections which would make common carriers by motor vehicle and by water and freight forwarders liable for the payment of damages to persons injured by them through violations of that act.

7. We recommend that Congress amend the Standard Time Act so as fully to occupy the legislative field respecting standards of time to be observed throughout the Nation.

JOHN L. ROGERS, *Chairman*.

CLYDE B. AITCHISON.

CLAUDE R. PORTER.

WILLIAM E. LEE.

CHARLES D. MAHAFFIE.

CARROLL MILLER.

WALTER M. W. SPLAWN.

J. HADEN ALLDREDGE.

WILLIAM J. PATTERSON.

J. MONROE JOHNSON.

GEORGE M. BARNARD.

APPENDIX A

SUMMARY OF INDICTMENTS RETURNED AND INFORMATIONS FILED IN UNITED STATES DISTRICT COURTS BETWEEN NOVEMBER 1, 1944, AND OCTOBER 31, 1945, INCLUSIVE, FOR VIOLATIONS OF THE INTERSTATE COMMERCE ACT, PART I, THE ELKINS ACT, AND THE TRANSPORTATION OF EXPLOSIVES ACT

United States v. Alexander Auerbach, northern district of Ohio. October 26, 1945, indictment charging false billing; 5 counts.

United States v. Baltimore & O. R. Co., district of Maryland. January 23, 1945, information charging granting of concessions through extension of credit for demurrage charges; 10 counts.

United States v. Clinchfield R. Co., eastern district of Tennessee. November 8, 1944, information charging granting of concessions through failure to observe transit tariff; 1 count.

United States v. Detroit, T. & I. R. Co., eastern district of Michigan. May 2, 1945, information charging granting of concessions and failure to observe tariffs; 25 counts.

United States v. Edward L. Eyre & Co., northern district of California. May 5, 1945, information charging solicitation and acceptance of concessions by means of false billing; 5 counts.

United States v. Joseph B. Fleming and Aaron Colnon, Trustees, Chicago, R. I. & P. Ry. Co., eastern district of Oklahoma. August 31, 1945, information charging violations of Commission's regulations governing the transportation of explosives; 13 counts.

United States v. Georgia Webbing and Tape Co. and C. Walter Mullin, middle district of Georgia. February 21, 1945, indictment charging solicitation of concessions through false billing; 20 counts.

United States v. Georgia Webbing and Tape Co. and James R. Killian, middle district of Georgia. February 21, 1945, indictment charging solicitation of concessions through false billing; 30 counts.

United States v. J. C. Hickson & Co., southern district of Florida. October 9, 1945, information charging solicitation of concessions through understatement of weights; 25 counts.

United States v. Kansas City S. Ry Co., eastern district of Texas. April 27, 1945, information charging granting of concessions through failure to collect published rate; 25 counts.

United States v. Lawrence Levin, southern district of California. August 22, 1945, indictment charging acceptance of concessions through false billing; 12 counts.

United States v. Luria Bros. & Co., Inc., and A. O. Smith Corp., northern district of Illinois. October 19, 1945, information charging solicitation of concessions, and aiding and abetting therein; 12 counts.

United States v. Missouri-K.-T. R. Co., district of Kansas. September 7, 1945, information charging violations of Commission's regulations governing the transportation of explosives; 4 counts.

United States v. H. Muehlstein & Co., Inc., northern district of Ohio. May 19, 1945, information charging solicitation of concessions through false billing; 5 counts.

United States v. National Aluminate Corp., northern district of Illinois. December 1, 1944, information charging false billing; 10 counts.

United States v. The New York Central R. Co., northern district of Indiana. July 19, 1945, information charging violation of Commission's regulations governing the transportation of explosives; 1 count.

United States v. Port Iron & Supply Co., eastern district of Texas. April 27, 1945, information charging acceptance of concessions through false billing; 25 counts.

United States v. Jacob Phillip Roth, northern district of Ohio. November 10, 1944, indictment charging solicitation of concessions through false representations as to handling of shipments under a tariff providing for stop-off privileges to complete loading or to partially unload; 5 counts.

United States v. Schwartz & Son, Inc., western district of North Carolina. March 20, 1945, indictment charging acceptance of concessions through false billing; 5 counts.

United States v. Southern Pac. Co., southern district of California. August 22, 1945, indictment charging granting of concessions through failure to collect published rate; 12 counts.

United States v. Southern Ry. Co., western district of North Carolina. August 20, 1945, information charging violations of Commission's regulations governing the transportation of explosives; 2 counts.

United States v. Texas & P. Ry. Co., eastern district of Louisiana. September 5, 1945, information charging failure to observe tariff by delivery of advise shipments in advance of surrender of delivery orders; 5 counts.

United States v. Guy A. Thompson, Trustee, Missouri Pac. R. Co., western district of Missouri. April 11, 1945, information charging violation of Commission's regulations governing the transportation of explosives; 4 counts.

United States v. Wabash Ry. Co., eastern district of Michigan. June 28, 1945, information charging violations of Commission's regulations governing the transportation of explosives; 4 counts.

United States v. Billy Wilson, southern district of California. April 18, 1945, indictment charging false billing; 10 counts.

SUMMARY OF CASES CONCLUDED IN THE UNITED STATES DISTRICT COURTS BETWEEN NOVEMBER 1, 1944, AND OCTOBER 31, 1945, INCLUSIVE, FOR VIOLATIONS OF THE INTERSTATE COMMERCE ACT, PART I, THE ELKINS ACT, AND THE TRANSPORTATION OF EXPLOSIVES ACT.

United States v. American Smelting and Refining Co., northern district of Ohio, information charging acceptance of concessions through misbilling. June 8, 1945, verdict of not guilty rendered by court.

United States v. Baltimore & O. R. Co., district of Maryland, information charging granting of concessions through extension of credit for demurrage charges. January 26, 1945, plea of guilty entered and fine of \$2,000 imposed.

United States v. A. N. Bearman Co., district of Minnesota, indictment charging solicitation of concessions through filing of false claims. October 19, 1944, verdict of guilty; November 20, 1944, sentence suspended and defendant placed on probation for 15 months.

United States v. M. P. Calloway, Trustee, Central of Georgia Ry. Co., southern district of Georgia, complaint charging violations of Commission's Service Order No. 178. November 18, 1944, confession of judgment entered and penalty of \$1,000 imposed.

United States v. Clinchfield R. Co., eastern district of Tennessee, information charging granting of concessions through failure to observe transit tariff. November 22, 1944, plea of *nolo contendere* entered and fine of \$1,000 imposed.

United States v. Detroit, T. & I. R. Co., eastern district of Michigan, information charging granting of concessions and failure to observe tariffs. October 1, 1945, plea of guilty entered and fine of \$7,500 imposed.

United States v. Joseph B. Fleming and Aaron Colnon, Trustees, Chicago, R. I. & P. Ry. Co., eastern district of Oklahoma, information charging violations of Commission's regulations governing the transportation of explosives. October 29, 1945, plea of guilty entered and fine of \$1,000 imposed.

United States v. Georgia Webbing and Tape Co. and C. Walter Mullin, middle district of Georgia, indictment charging solicitation of concessions through false billing. September 3, 1945, pleas of *nolo contendere* entered and fine of \$125 imposed upon each defendant.

United States v. Georgia Webbing and Tape Co. and James R. Killian, middle district of Georgia, indictment charging solicitation of concessions through false billing. September 3, 1945, pleas of *nolo contendere* entered and fines of \$1,500 upon corporation, and of \$1,750 upon Killian, imposed.

United States v. S. M. Goldberg and Morris I. Leytus, western district of Pennsylvania, indictment charging soliciting and receiving concessions through false billing. March 7, 1945, pleas of guilty entered and fines of \$4,000 upon Goldberg, and of \$1,000 upon Leytus, imposed.

United States v. Indiana Harbor Belt R. Co., northern district of Illinois, complaint charging violation of Commission's service order No. 174. January 22, 1945, confession of judgment entered and penalty of \$500 imposed.

United States v. Kansas City S. Ry. Co., eastern district of Texas, information charging granting of concessions through failure to collect published rate. October 22, 1945, plea of *nolo contendere* entered and fine of \$7,500 imposed.

United States v. Howard S. Palmer, James Lee Loomis and Henry B. Sawyer, Trustees, New York, N. H. & H. R. Co., district of Connecticut, complaint charging violations of Commission's Service Order No. 178. November 7, 1944, confession of judgment entered and fine of \$500 imposed.

United States v. National Aluminate Corp., northern district of Illinois, information charging false billing. April 25, 1945, plea of guilty entered and fine of \$300 imposed.

United States v. New York Central R. Co., northern district of Indiana, information charging violation of Commission's regulations governing the transportation of explosives. September 12, 1945, plea of *nolo contendere* entered and fine of \$500 imposed.

United States v. Norfolk & W. Ry. Co., western district of Virginia, complaint charging violations of Commission's Service Order No. 178. November 6, 1944, confession of judgment entered and fine of \$500 imposed.

United States v. Pere Marquette Ry. Co., eastern district of Michigan, complaint charging violations of Commission's Service Order No. 178. November 3, 1944, confession of judgment entered and fine of \$1,000 imposed.

United States v. Port Iron & Supply Co., eastern district of Texas, information charging acceptance of concessions through false billing. October 22, 1945, plea of *nolo contendere* entered and fine of \$7,500 imposed.

United States v. Jacob Phillip Roth, northern district of Ohio, indictment charging solicitation of concessions through false representations as to handling of shipments under a tariff providing for stop-off privileges to complete loading or to partially unload. December 11, 1944, plea of guilty entered and fine of \$1,000 imposed.

United States v. Schwartz & Son., Inc., western district of North Carolina, indictment charging acceptance of concessions through false billing. October 22, 1945, plea of *nolo contendere* entered and fine of \$1,000 imposed.

United States v. Guy A. Thompson, Trustee, Missouri Pac. R. Co., eastern district of Missouri, complaint charging violations of Commission's Service Order No. 178. December 7, 1944, defendant's motion to dismiss complaint granted.

United States v. Guy A. Thompson, Trustee, Missouri Pac. R. Co., western district of Missouri, information charging violations of Commission's regulations governing the transportation of explosives. June 15, 1945, plea of guilty entered and fine of \$400 imposed.

United States v. Charles M. Thomson, Trustee, Chicago and N. W. Ry. Co., western district of Michigan, information charging willful failure to assess icing charges. December 30, 1944, *nolle prosequi* entered.

United States v. Virginian Ry. Co., eastern district of Virginia, complaint charging violations of Commission's Service Order No. 178. January 18, 1945, complaint dismissed.

United States v. Wabash Ry. Co., eastern district of Michigan, information charging violations of Commission's regulations governing the transportation of explosives. September 25, 1945, plea of guilty entered and fine of \$800 imposed.

United States v. Billy Wilson, southern district of California, indictment charging false billing. June 19, 1945, plea of *nolo contendere* entered. July 9, 1945, defendant placed on probation for 1 year.

APPENDIX B

SUMMARIES SHOWING ACTION TAKEN SINCE THE PERIOD COVERED BY THE LAST ANNUAL REPORT WITH RESPECT TO CASES INVOLVING ORDERS AND REQUIREMENTS OF THE COMMISSION AND STATUS ON OCTOBER 31, 1945, OF CASES PENDING IN THE COURTS

CASES DECIDED BY THE COURTS SINCE OCTOBER 31, 1944

SUPREME COURT OF THE UNITED STATES

Public Service Comm. of New York v. United States

For case history see 1944 Annual Report, page 115. On November 13, 1944, judgment of the lower court was affirmed and the Commission's order sustained, *per curiam* (323 U. S. 675).

Guy M. Turner and Frank A. Turner dba Turner's Transfer, v. United States.

For case history see 1944 Annual Report, page 116. On November 13, 1944, judgment of the lower court was affirmed and the Commission's order sustained, *per curiam* (323 U. S. 674).

Carolina Scenic Coach Lines v. United States.

For case history see 1944 Annual Report, page 115. On December 11, 1944, judgment of the lower court was affirmed and the Commission's order sustained, *per curiam* (323 U. S. 678).

United States v. Pennsylvania R. Co.

For case history see 1944 Annual Report, page 113. On January 29, 1945, the Commission's order was sustained (323 U. S. 612).

Pennsylvania R. Co. v. United States.

For case history see 1944 Annual Report, page 113. On January 29, 1945, the Commission's order was sustained (323 U. S. 588).

Andrew B. Crichton dba Super Service Motor Freight Co. v. United States.

For case history see 1944 Annual Report, page 116. On December 5, 1944, the case was docketed on appeal to the Supreme Court, and on January 29, 1945, judgment of the lower court was affirmed and the Commission's order sustained, *per curiam* (323 U. S. 684).

Jack Cole Co., Inc., v. United States.

For case history see 1944 Annual Report, page 116. On January 17, 1945, the case was docketed on appeal to the Supreme Court, and on February 12, 1945, the Commission's order was sustained, *per curiam* (324 U. S. 822).

Adirondack Transit Lines, Inc., v. United States.

For case history see 1944 Annual Report, page 122. On February 2, 1945, the case was docketed on appeal to the Supreme Court, and on February 26, 1945, judgment of the district court was affirmed, *per curiam* (324 U. S. 824).

United States v. Hancock Truck Lines, Inc.

For case history see 1944 Annual Report, page 115. On April 23, 1945, judgment of the District Court was reversed and the Commission's order sustained (324 U. S. 774).

Brotherhood of Locomotive Firemen & Enginemen v. Interstate Commerce Commission.

For case history see 1943 Annual Report, page 147, and 1944 Annual Report, page 113. On April 9, 1945, petition for writ of certiorari was filed in Supreme Court, which was denied on May 7, 1945 (325 U. S. 860).

United States and Interstate Commerce Comm. v. Capital Transit Co., a corporation.

For case history see 1944 Annual Report, page 115. On November 9, 1944, the case was docketed on appeal to the Supreme Court, and on May 28, 1945, judgment of the district court was reversed and the Commission's order sustained (325 U. S. 357).

Alabama Highway Express, Inc., v. United States.

For case history see page 124 this volume.

State of North Carolina v. United States.

For case history see 1944 Annual Report, page 115. On June 11, 1945, judg-

ment of the district court was reversed and the Commission's order held invalid (325 U. S. 507).

State of Alabama v. United States.

For case history see 1944 Annual Report, page 116. On June 11, 1945, judgment of the district court was reversed and the Commission's order held invalid (325 U. S. 535).

Commonwealth of Kentucky v. United States.

For case history see 1944 Annual Report, page 116. On June 11, 1945, judgment of the district court was reversed and the Commission's order held invalid (325 U. S. 535).

State of Tennessee v. United States.

For case history see 1944 Annual Report, page 116. On June 11, 1945, judgment of the district court was reversed and the Commission's order held invalid (325 U. S. 535).

American Trucking Assn. v. United States.

For case history see 1944 Annual Report, pages 114-115. On June 18, 1945, judgment of the district court was reversed and the Commission's order set aside (326 U. S. 77).

Interstate Commerce Commission v. Harry A. Parker, dba Parker Motor Freight.

For case history see 1944 Annual Report, page 114. On June 18, 1945, judgment of the district court was reversed and the Commission's order sustained (326 U. S. 60).

Barrett Line, Inc., v. United States.

For case history see 1944 Annual Report, page 115. On June 18, 1945, the Commission's order was set aside in so far as it denied applicant the right to continue chartering operations, and sustained in all other respects (326 U. S. 179).

Ashland Coal & Ice Co., Inc., v. United States.

For case history see page 124 this volume. On June 18, 1945, the motion to affirm of United States and the Commission was granted (325 U. S. 840).

Deaton Truck Line, Inc., v. United States.

For case history see page 124 this volume. On October 8, 1945, the motion to affirm judgment of the district court was granted (326 U. S. —).

Carolina Scenic Coach Lines v. United States.

For case history see page 124 this volume. On October 8, 1945, the motion to affirm judgment of the district court was granted (326 U. S. —).

COURT OF APPEALS, DISTRICT OF COLUMBIA

Brotherhood of Locomotive Firemen & Enginemen v. Interstate Commerce Commission.

For case history see 1944 Annual Report, page 113. On January 15, 1945, judgment of district court was affirmed, and on May 7, 1945, petition for writ of certiorari was denied by Supreme Court (325 U. S. —).

DISTRICT COURTS OF THE UNITED STATES

Michigan Tri-State Motor Express, Inc., v. United States, northern district of Illinois.

For case history see 1944 Annual Report, page 122. On December 18, 1944, advice was received that final decree sustaining the Commission's order and dismissing the complaint had been entered on October 31, 1944. On January 8, 1945, the case was discontinued because not appealed within the time prescribed by law.

Liberty Motor Freight Lines, Inc., v. United States, northern district of Illinois.

For case history see 1944 Annual Report, page 122. On December 5, 1944, findings of fact, conclusions of law, and decree dismissing the complaint were entered by the court, and on February 6, 1945, the case was discontinued because not appealed within the time prescribed by law.

Fish Transport Co., Inc., v. United States, district of Massachusetts.

Suit to set aside Commission's order of April 29, 1944, in Docket No. MC-61019, *Fish Transport Co. Common Carrier Application*, in so far as it denied applicant the right to continue to transport general commodities between New Bedford, Mass., and New York City.

On November 14, 1944, the complaint was filed, and on December 22, 1944, judgment was entered by the court dismissing the complaint. On February 23, 1945, the case was discontinued because not appealed within the time prescribed by law.

Peninsula Corp. of Seaford, Del., v. United States, District of Columbia.

For case history see 1944 Annual Report, page 121. On January 31, 1945, the Commission's order was sustained (60 Fed. Supp. 174), and on April 2, 1945, the case was discontinued because not appealed within the time prescribed by law.

Earl F. Schultz d. b. a. Service Transfer & Storage Co. v. United States, western district of Wisconsin.

For case history see 1944 Annual Report, page 120. On February 9, 1945, the Commission's order was sustained (59 Fed. Supp. 338), and on May 9, 1945, the case was discontinued because not appealed within the time prescribed by law.

Ashland Coal & Ice Co., Inc., v. United States, eastern district of Virginia.

For case history see 1944 Annual Report, page 123. On February 10, 1945, the Commission's order was sustained, and on June 18, 1945, the case was affirmed on appeal to the Supreme Court.

Carolina Scenic Coach Lines v. United States, western district of North Carolina, Asheville division.

Suit to set aside Commission's orders of September 18, 1944, and October 13, 1944, in Docket No. MC-14486, (Sub-No. 9), *McDuff-Turner Extension, Augusta, Ga.*, and Docket No. MC-61598, (Sub-No. 9) *Smoky Mountain Stages, Inc.—Extension, Augusta, Ga.* wherein the Commission denied petitions for further hearing to permit plaintiff to introduce newly discovered evidence.

On November 4, 1944, the complaint was filed, and on March 5, 1945, the court entered a decree sustaining the Commission's order and dismissing the complaint (59 Fed. Supp. 338). On June 26, 1945, the case was docketed on appeal to the Supreme Court, and affirmed October 8, 1945.

Alabama Highway Express, Inc., v. United States, northern district of Alabama, southern division.

Suit to set aside Commission's certificate of July 27, 1944, entered by it in Docket No. MC-71516, *Alabama Highway Express, Inc., Common Carrier Application*, in so far as it denied applicant authority to transport general commodities between all points and places in Alabama and New Orleans, La., all points and places in Mississippi and Tennessee, all points and places in a portion of Florida, and all points and places in Georgia, on and west of U. S. Highway 129, and the distribution of freight from pool cars located at railheads in all the States of Alabama, Mississippi, and Tennessee.

On January 2, 1945, the petition was filed, and on March 5, 1945, the court entered a decree sustaining the Commission's order and dismissing the petition. On April 30, 1945, the case was docketed on appeal to the Supreme Court, and on May 28, 1945, motion to affirm of United States and Commission was granted (325 U. S. 867).

Elliott Bros. Trucking Co., Inc., v. United States, district of Maryland.

For case history see 1944 Annual Report, page 123. On March 8, 1945, the court entered a decree sustaining the Commission's order and dismissing the petition (59 Fed. Supp. 328). On May 9, 1945, the case was discontinued because not appealed within the time prescribed by law.

El Dorado Oil Works v. United States, northern district of California, southern division.

For case history see 1944 Annual Report, page 123. On March 8, 1945, the case was dismissed by the court for want of jurisdiction (59 Fed. Supp. 738), and on September 13, 1945, the case was docketed on appeal to the Supreme Court.

Deaton Truck Line, Inc., v. United States, northern district of Alabama, southern division.

For case history see 1944 Annual Report, page 122. On March 17, 1945, findings of fact, conclusions of law, and final decree dismissing the complaint, were entered by the court and on July 9, 1945, the case was docketed on appeal to the Supreme Court, and affirmed October 8, 1945 (326 U. S. —).

Champlin Refining Co. v. United States, western district of Oklahoma.

For case history see 1944 Annual Report, page 122. On March 21, 1945, the Commission's order was sustained and the complaint dismissed (59 Fed. Supp. 978). On May 14, 1945, the case was docketed on appeal to the Supreme Court.

Watson Bros. Transportation Co., Inc., v. United States, district of Nebraska.

For case history see 1944 Annual Report, page 122. On March 21, 1945, the Commission's order was sustained and the complaint dismissed (59 Fed. Supp. 762). On June 1, 1945, the case was discontinued because not appealed within the time prescribed by law.

Inland Motor Freight, a Corporation, v. United States, eastern district of Washington.

For case history see 1944 Annual Report, page 123. On April 27, 1945, the Commission's order was set aside (60 Fed. Supp. 520), and on July 16, 1945, the case was discontinued due to reopening of the proceeding by the Commission.

Motor Freight Express v. United States, eastern district of Pennsylvania.

For case history see 1944 Annual Report, page 123. On April 30, 1945, defendants' motion to dismiss for want of jurisdiction was granted (60 Fed. Supp. 238), and on July 5, 1945, the case was discontinued because not appealed within the time prescribed by law.

Chicago, B. & Q. R. Co. v. United States, eastern district of Kentucky.

Suit to set aside Commission's report and order of December 11, 1944, in Docket No. 28629, *Commonwealth of Kentucky v. Illinois Central R. Co.*, 259 I. C. C. 259, wherein the Commission, on rehearing, found (1) that the rates on bituminous coal, in carloads, from western Kentucky to Chicago, Ill., and intermediate destinations taking the same rates, will be unreasonable for the future; and (2) that the rates on bituminous coal, in carloads, from western Kentucky and southern Illinois to Chicago, Ill., and intermediate destinations, and to other destinations in the Northwest, are not unduly preferential of western Kentucky operators or unduly prejudicial to southern Illinois operators.

On March 29, 1945, the petition was filed, and on May 21, 1945, the Commission's order was sustained and the suit dismissed (60 Fed. Supp. 580), and on August 6, 1945, the case was discontinued because not appealed within the time prescribed by law.

McAllister Lighterage Line, Inc., v. United States, southern district of New York.

For case history see 1944 Annual Report, page 123. On July 19, 1945, the Commission's orders were sustained, and on October 9, 1945, the case was appealed to the Supreme Court.

Akin v. United States, western district of Louisiana, Shreveport division.

Suit to set aside Commission's report and certificate of October 21, 1944, in Docket No. MC-52459, *Akin Common Carrier Application*, wherein the Commission found applicant had not established any "grandfather" rights as a common carrier by motor vehicle of general commodities between Fort Worth, Tex., and New Orleans, La.; serving intermediate and off-route points. (Prior report, 41 M. C. C. 823.)

On May 11, 1945, the complaint was filed, and on August 13, 1945, the Commission's report and certificate were sustained (62 Fed. Supp. 391).

Schenley Distillers Corp. v. United States, district of Delaware.

Suit to set aside Commission's report of November 25, 1944, in Docket No. MC-103763 (Sub-No. 1), holding operation by applicant in the transportation of property of several corporations, all of which are owned or controlled by another corporation, to be that of a contract carrier by motor vehicle, as defined in sec. 203 (a) (15), and also operation by applicant as a contract carrier by motor vehicle would not be consistent with the public interest and the national transportation policy.

On March 22, 1945, the complaint was filed, and on August 14, 1945, the Commission's order was sustained and the complaint dismissed (61 Fed. Supp. 981).

Creston Transfer Co. v. United States, southern district of Indiana, Indianapolis division.

Suit to set aside Commission's orders of January 1, 1945, and May 7, 1945, in Docket No. MC-102817 (Sub-No. 1) *Perkins Extension—New Furniture*, granting authority under section 207 to operate as a common carrier by motor vehicle, over irregular routes, of new furniture, bed springs, mattresses, and store and office furniture (uncrated), between points in Indiana, on the one hand, and, on the other, points in Illinois, Kentucky, Michigan, Missouri, Ohio, Pennsylvania, Tennessee, and West Virginia.

On June 15, 1945, the complaint was filed, and on August 27, 1945, the Commission's orders were sustained.

Howard Hall Co., Inc. v. United States, northern district of Alabama, southern division.

Suit to set aside Commission's report and certificate of November 22, 1944, in Docket No. MC-42318, *Howard Hall Co., Inc. Common Carrier Application*, and No. MC-42318 (Sub-No. 2), *Howard Hall Co., Inc., Extension of Operations*, in so far as said report denied authority to applicant to operate as a common carrier of general commodities, with certain exceptions, between points in Alabama and other States, over irregular routes.

On June 29, 1945, the complaint was filed, and on August 31, 1945, the Commission's report and certificate were sustained.

A. L. Mechling, dba Mechling Barge Line v. United States, northern district of Illinois, eastern division.

Suit to set aside that portion of the Commission's report and order of February 13, 1945, which permits the filing of a schedule of proportional rates applicable on ex-barge grain eastbound from Chicago. I. & S. Docket No. 4718, *Grain Proportionals, Ex-Barge to Official Territory*.

On June 1, 1945, the complaint was filed, and on October 4, 1945, a temporary injunction was granted. On October 16, 1945, the Commission's order was held invalid.

Inland Waterways Corp. v. United States, northern district of Illinois, eastern division.

Suit to set aside that portion of the Commission's report and order of February 13, 1945, which permits the filing of a schedule of proportional rates applicable on ex-barge grain east-bound from Chicago. I. & S. Docket No. 4718, *Grain Proportionals, Ex-Barge to Official Territory*.

On June 1, 1945, the complaint was filed, and on October 4, 1945, a temporary injunction was granted. On October 16, 1945, the Commission's order was held invalid.

The Secretary of Agriculture of the United States v. United States, northern district of Illinois, eastern division.

Suit to set aside Commission's order of February 13, 1945, prescribing rates on ex-barge grain out of Chicago and other break-bulk points. I. & S. Docket No. 4718, *Grain Proportionals, Ex-Barge to Official Territory*.

On June 27, 1945, the complaint was filed, and on October 4, 1945, a temporary injunction was granted. On October 16, 1945, the Commission's order was held invalid.

CASES DISCONTINUED

CIRCUIT COURT OF APPEALS, SECOND CIRCUIT

Protective Committee for Old Colony Railroad Bonds v. United States.

For case history see 1944 Annual Report, page 120. On September 25, 1945, the case was discontinued, further action on the particular phase of the question involved being unnecessary.

DISTRICT COURTS OF THE UNITED STATES

Dohrn Transportation Co. v. United States, southern district of Illinois, northern division.

For case history see 1944 Annual Report, page 116. On December 1, 1944, the case was discontinued due to the Commission's decision not to appeal.

Portland Tug & Barge Co. v. United States, district of Oregon.

For case history see 1944 Annual Report, page 114. On December 6, 1944, the case was discontinued because not appealed within the time prescribed by law.

Service Trucking Co., Inc., v. United States, district of Maryland.

For case history see 1944 Annual Report, page 121. On December 1, 1944, the case was discontinued because not appealed within the time prescribed by law.

Michigan Tri-State Motor Express, Inc., v. United States, northern district of Illinois.

For case history see page 123 this volume.

Liberty Motor Freight Lines, Inc., v. United States, northern district of Illinois.

For case history see page 123 this volume.

Fish Transport Co., v. United States, district of Massachusetts.

For case history see page 123 this volume.

Henderson v. Interstate Commerce Commission and United States, District of Columbia.

Suit to set aside Commission's report of May 13, 1944, in Docket No. 28895, *Henderson v. Southern Ry. Co.*, 258 I. C. C. 413, wherein the Commission found that failure of defendant to furnish dinner service to the complainant, a member of the Negro race, in its dining car, in connection with a journey between Washington, D. C., and Atlanta, Ga., subjected complainant to undue and unreasonable prejudice and disadvantage, but further found that no order for the future was necessary and no basis was shown for an award of reparation.

On November 13, 1944, the complaint was filed, and on February 27, 1945, was dismissed on plaintiff's motion.

Elliott Bros. Trucking Co., Inc., v. United States, district of Maryland.

For case history see page 124 this volume.

Earl F. Schultz dba Service Transfer & Storage Co. v. United States, western district of Wisconsin.

For case history see page 124 this volume.

Watson Bros. Transportation Co., Inc., v. United States, district of Nebraska.

For case history see page 124 this volume.

C. S. Schaub, dba Apex Motor Line, and Apex Transportation, Inc., v. United States, eastern district of North Carolina, Raleigh division.

Suit to set aside Commission's report and certificate of April 28, 1944, in Docket No. MC-32680, *Schaub Common Carrier Application*, in so far as it denied plaintiffs the right to operate as a common carrier over irregular routes between points in North Carolina, Connecticut, Delaware, Florida, Georgia, Maryland, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Virginia and the District of Columbia, traversing West Virginia for operating convenience only.

On March 6, 1945, the complaint was filed, and on April 19, 1945, the case was argued and submitted for decision. On June 19, 1945, the court dismissed the complaint on plaintiff's motion.

Inland Motor Freight, a Corporation, v. United States, eastern district of Washington.

For case history see pages 124-25 this volume.

Motor Freight Express v. United States, eastern district of Pennsylvania.

For case history see page 125 this volume.

Chicago, B. & Q. R. Co. v. United States, eastern district of Kentucky.

For case history see page 125 this volume.

Asbury Park-New York Transit Co. v. United States, district New Jersey.

Suit to set aside Commission's report of July 11, 1944, in Docket No. MC-104416, *Greenfield Common Carrier Application*, 43 M. C. C. 555, finding applicant entitled to a certificate of public convenience and necessity to transport passengers and their baggage in special operations in nonscheduled door-to-door service, limited to the transportation of not more than six passengers in any one vehicle, over irregular routes, between New York City, and Asbury Park and Bradley Beach, N. J.

On March 12, 1945, the petition was filed, and on July 7, 1945, the suit was dismissed by the court for want of venue.

Dulien Steel Products Co., Inc. v. United States, District of Columbia.

Suit to set aside Commission's order of August 28, 1944, in F. D. 14359, *Chicago, Attica & S. R. Co. Abandonment*, wherein the Commission refused to permit the railroad company to abandon its line of railroad running from Morocco, Ind., to Veedersburg, Ind.

On March 9, 1945, the petition was filed, and on May 28, 1945, amended petition was filed. On August 17, 1945, the court entered an order, on motion of defendants, dismissing the case without prejudice.

Stearn and Hartman v. United States, District of Columbia.

Suit to set aside Commission's orders of Feb. 15, 1945, in Dockets Nos. MC-FC-20350 and 20351, *Applications for Transfer: J. M. Stearn, Transferee, Harrisonburg, Va., and Dan Hartman, dba Harrisonburg Motor Express, Transferor, Harrisonburg, Va.*, denying applications for authority to transfer portions of operating rights conferred in MC-60298 and MC-330.

On August 9, 1945, the petition was filed, and on August 17, 1945, motion to dismiss for want of venue was filed on behalf of United States and the Commission. On October 8, 1945, the motion to dismiss was granted.

Peninsula Corp. of Seaford, Del., v. United States, District of Columbia.

For case history see page 124, this volume.

Pennsylvania R. Co. et al. v. United States, district of Delaware.

Suit to set aside the Commission's report and order of December 5, 1944, in Docket No. 25727, *Seatrains Lines, Inc., v. Akron, C. & Y. Ry. Co.*, 259 I. C. C. 297, insofar as the Commission amended its original order to make the through routes and joint rates prescribed by it applicable via the ports of New York and New Orleans, instead of via Hoboken, N. J., and Belle Chasse, La.

On May 29, 1945, the amended petition was filed, and on June 11, 1945, the Commission's answer was filed. On July 3, 1945, the case was dismissed by the court on the stipulation of the parties.

Harrison Motor Freight v. United States, district of New Jersey.

For case history see 1943 Annual Report, page 148 and 1944 Annual Report, page 120.

On October 8, 1945, the case was dismissed on stipulation of the parties.

Watson Bros. Transp. Co., Inc., v. United States and Interstate Commerce Commission, district of Nebraska, Omaha division.

Suit to set aside or suspend in part the Commission's order of March 13, 1943, whereby the Commission, subject to the terms and conditions set out in the findings of its report, approved a lease agreement whereby Watson Bros. Co. was leased and granted options to buy certain trucking lines by Harry Jaffa, the former operator of said lines.

On December 11, 1943, the petition was filed. On February 12, 1944, the answer of the Commission filed. On October 22, 1945, the case was dismissed on motion of plaintiff, with prejudice.

CASES PENDING

SUPREME COURT OF THE UNITED STATES

United States v. Pierce Auto Freight Lines.

For case history see 1944 Annual Report, page 117. On May 14, 1945, the case was docketed on appeal to the Supreme Court.

United States v. Detroit & Cleveland Navigation Co.

For case history see 1944 Annual Report, page 117. On January 27, 1945, the case was docketed on appeal to the Supreme Court.

Champlin Refining Co. v. United States.

For case history see page 124 this volume.

El Dorado Oil Works v. United States.

For case history see page 124 this volume.

Guy A. Thompson, Trustee, The St. Louis, Brownsville & Mexico Ry. Co. et al. v. The Texas Mexican Railway Co.

Suit in State court to determine reasonable compensation for use of properties of Texas Mexican Ry. Co. by The St. Louis, Brownsville & Mexican Ry. Co., under a trackage agreement contract entered into in 1904, but terminated, in the opinion of the State court, on October 31, 1941.

On October 9, 1945, the case was argued in the Supreme Court. The Interstate Commerce Commission was invited to file brief amicus curiae and on October 19, 1945, the brief of the Interstate Commerce Commission, amicus curiae, was filed.

Levinson v. Spector Motor Service, Inc.

Suit by an employee (a checker or loader), of a motor carrier to recover overtime compensation under the Fair Labor Standards Act.

On October 8, 1945, certiorari was granted by the Supreme Court, and Interstate Commerce Commission invited to file a brief, amicus curiae. On November 30, 1945, brief, amicus curiae, filed on behalf of the Commission.

Schenley Distillers Corp. v. United States.

For case history see page 125, this volume.

DISTRICT COURTS OF THE UNITED STATES

In the Matter of Chicago, R. I. & P. Ry. Co., Debtor, northern district of Illinois.

For case history see 1941 Annual Report, page 160.

Spring Valley Motor Coach Co., Inc., v. United States, southern district of New York.

For case history see 1943 Annual Report, page 146.

Rockland Coaches, Inc., v. United States, southern district of New York.

For case history see 1943 Annual Report, page 146.

Auclair v. United States, district of Massachusetts.

For case history see 1943 Annual Report, page 146.

Rockland Coaches, Inc., v. United States, southern district of New York.

For case history see 1944 Annual Report, page 120.

Pasquale DeCola v. United States, district of Connecticut.

For case history see 1944 Annual Report, page 120.

Rochester Transit Corp. v. United States, western district of New York, Rochester division.

For case history see 1944 Annual Report, page 121.

A. Johnston v. United States, western district of Oklahoma.

For case history see 1944 Annual Report, page 121.

All States Freight, Inc., v. United States, northern district of Ohio, eastern division.

For case history see 1944 Annual Report, page 121.

Cleveland Union Stockyards Co. v. United States, northern district of Ohio, eastern division.

For case history see 1944 Annual Report, page 121.

Inland Navigation Co. v. United States, eastern district of Washington, southern division.

For case history see 1944 Annual Report, page 122.

Ajax Van Lines, Inc., v. United States, northern district of Illinois, eastern division.

Suit to set aside Commission's order of April 28, 1944, in Docket No. MC-23523, *Ajax Van Lines, Inc., Common Carrier Application*, in so far as plaintiff is denied nonradial operating authority under the "grandfather" clause of sec. 206 (a), to serve certain territory within the United States.

On November 1, 1944, the complaint was filed, and on December 29, 1944, the Commission's answer was filed. On August 7, 1945, an amended complaint was filed.

Garford Trucking, Inc., v. United States, district of New Jersey.

Suit to set aside Commission's report and order of November 26, 1943, in Docket No. MC-1091, *Garford Trucking, Inc., Common Carrier Application*, in so far as it denied applicant certain rights to continue operation as a common carrier by motor vehicle of general commodities under sec. 206 (a), between points in Connecticut, Delaware, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, and the District of Columbia, over irregular routes.

On November 27, 1944, the complaint was filed, and on May 9, 1945, the case was argued and submitted for decision.

Miami Transportation Co., Inc., v. United States, southern district of Indiana, Indianapolis Division.

Suit to set aside Commission's report and order of September 27, 1944, in Docket No. MC-22305, *Lett & Co. of Indiana, Inc., Common Carrier Application*, in so far as it denied plaintiff certain operating authority under the "grandfather" clause of sec. 206 (a) of the motor carrier act.

On January 8, 1945, the complaint was filed. Case now being held in abeyance pending Commission's decision on reconsideration.

Creston Transfer Co. v. United States, eastern district of New York.

Suit to set aside Commission's order of November 10, 1942, in Docket No. MC-696, *Vanportation & Warehouse Common Carrier Application*, in so far as the Commission granted authority to Vanportation Company to transport uncrated furniture, and broadened its operating authority beyond that granted in an earlier order.

On November 18, 1944, the complaint was filed, and on March 15, 1945, the Commission's intervention and answer were filed.

Henderson v. Interstate Commerce Commission, district of Maryland.

Suit to set aside Commission's report of May 13, 1944, in Docket No. 28895, *Henderson v. Southern Ry. Co.*, 258 I. C. C. 413, wherein the Commission found that failure of defendant to furnish dinner service to the complainant, a member of the Negro race, in its dining car, in connection with a journey between Washington, D. C., and Atlanta, Ga., subjected complainant to undue and unreasonable prejudice and disadvantage, but further found that no order for the future was necessary and no basis was shown for an award of reparation.

On January 27, 1945, the complaint was filed, and on September 24, 1945, the case was argued and submitted for decision.

E. S. Lubfin, dba Safeway Motor Coach Lines, v. Interstate Commerce Commission, district of Oregon.

Suit to set aside Commission's order of April 25, 1939, in Docket No. MC-13921, *Lubfin Common Carrier Application*, wherein applicant was denied a certificate as a common carrier by motor vehicle of passengers, baggage, express, mail, and newspapers, between points in Washington, Oregon, and California, under the "grandfather" clause of sec. 206 (a) of the act.

On January 12, 1945, the complaint was filed, and on September 17, 1945, the case was argued and submitted for decision.

Shawmut Transportation Co., Inc., v. United States, district of Massachusetts.

Suit to set aside Commission's order of October 27, 1943, in Docket No. MC-51006, (Sub-No. 1), in so far as it denied to plaintiff authority previously granted to Topsfield Express, Inc., in Docket No. MC-76226, other than denying authority to extend its operation beyond Newark, N. J., to Philadelphia, Pa.

On February 14, 1945, the complaint was filed, and on April 13, 1945, the Commission's answer was filed.

Consolidated Copperstate Lines v. United States, western district of Texas, El Paso division.

Suit to set aside Commission's report of October 11, 1943, in Docket No. MC-63110, amending findings in prior report, 41 M. C. C. 574, so as to find applicant entitled to continue operation as a common carrier by motor vehicle of general commodities, with certain exceptions, between San Antonio, Tex. and Los Angeles, Calif., over a regular route, serving certain intermediate points.

On March 13, 1945, the complaint was filed, and on May 14, 1945, the Commission's intervention and answer were filed.

Burlington Transportation Co. v. United States, northern district of Illinois, eastern division.

Suit to set aside Commission's report and order of September 20, 1944, in Docket No. MC-2181 (Sub-Nos. 1 and 2), *Burlington Transp. Co. Extension—Illinois, Iowa, and Missouri*, 43 M. C. C. 729, in so far as it denies certain other such operating authority sought by plaintiff.

On April 12, 1945, the complaint was filed, and on June 2, 1945, the Commission's intervention and answer were filed.

Erie Railroad Co. v. United States, southern district of Ohio, eastern division.

Suit to set aside Commission's report and order of February 24, 1945, in Docket No. 28813, *Sumner & Co. v. Erie R. Co.*, 255 I. C. C. 475, 262 I. C. C. 43, wherein the Commission found rates on scrap iron and steel, in carloads, from origins in Indiana and Michigan to destinations in Ohio unreasonable, and awarded reparation and prescribed lower rates for the future.

On May 28, 1945, a supplemental bill of complaint was filed, and on June 13, 1945, the case was argued and submitted for decision.

General Transportation Co. v. United States, district of Massachusetts.

Suit by protestants, competing motor carriers, to set aside Commission's order of November 1, 1944, approving the purchase by Beacon Fast Freight Co., Inc., of the operating rights of Clarence L. Hardy, *Beacon Fast Freight Co., Inc.—Purchase—Clarence L. Hardy*, Docket No. MC-F-2405.

On May 7, 1945, the complaint was filed, and on June 2, 1945, the Commission's answer was filed.

Akin v. United States, western district of Louisiana, Shreveport division.

For case history see page 125 this volume.

Seatrains Lines, Inc., v. United States, district of Delaware.

Suit to set aside Commission's report and certificate of February 6, 1945, Docket No. W-543, in *Seatrains Lines, Inc., Common Carrier Application*, 260 I. C. C. 430, wherein the Commission found applicant entitled to continue operation as a common carrier, by self-propelled vessels, in interstate or foreign commerce, in the transportation of liquid cargoes in bulk, of empty railroad cars and of property loaded in railroad cars received from and delivered to rail carriers between New York, New Orleans, and Texas City, Tex.

On May 12, 1945, the petition was filed, and on July 20, 1945, the case was argued and submitted for decision.

A. L. Mechling, dba Mechling Barge Line v. United States, northern district of Illinois, eastern division.

For case history see page 126, this volume.

Inland Waterways Corp. v. United States, northern district of Illinois, eastern division.

For case history see page 126, this volume.

The Secretary of Agriculture of the United States v. United States, northern district of Illinois, eastern division.

For case history see page 126, this volume.

Creston Transfer Co. v. United States, southern district of Indiana, Indianapolis division.

For case history see page 125, this volume.

McLean Trucking Co., Inc., v. United States, middle district of North Carolina, Winston-Salem division.

Suit to set aside Commission's report and order of September 23, 1944, in Docket No. MC-31389, and Sub-No. 1, in so far as it denied certain operating rights to petitioner under sections 206a and 207a of part II of the Interstate Commerce Act.

On June 23, 1945, the complaint was filed, and on September 22, 1945, the case was argued and submitted for decision.

Howard Hall Co., Inc., v. United States, northern district of Alabama, southern division.

For case history see page 125, this volume.

Herrin Transportation Co. v. United States, southern district of Texas, Houston division.

Suit to set aside Commission's order of April 14, 1941, in Docket No. MC-1124 (Sub-No. 3), *Herrin Transportation Company, Successor to Coleman Bros. Transfer Company, Common Carrier Application*, denying application for "grandfather" certificate for transportation of general commodities between Houston, Dallas and Fort Worth, Tex.

On June 13, 1945, the complaint was filed.

W. H. Tomkins Company, now Tomkins Motor Lines, Inc., v. United States, middle district of Tennessee, Nashville division.

Suit to set aside Commission's report and certificate of January 6, 1945, in Docket No. MC-20783, *W. H. Tomkins Co., Common Carrier Application*, in so far as it denies authority to applicant to operate from Nashville, Tenn., and points within 15 miles thereof, and also denies to applicant the right to transport general commodities in southern territory.

On July 28, 1945, the bill of complaint was filed, and on October 1, 1945, the Commission's answer was filed.

Federal Truck Lines, Inc., v. United States, northern district of Illinois, eastern division.

Suit to set aside Commission's report of October 11, 1944, in Docket No. MC-47389, *Federal Truck Lines, Inc., Common Carrier Application*, finding that applicant was not entitled to a certificate as a common carrier by motor vehicle under the "grandfather" clause, and also finding that public convenience and necessity did not require operation by applicant, as a common carrier by motor vehicle of property, between points in Illinois, Indiana, Ohio, and Kentucky.

On July 30, 1945, the complaint was filed, and on October 1, 1945, the Commission's answer was filed.

Asbury Park-New York Transit Corp. v. United States, southern district of New York.

Suit to set aside Commission's order of July 11, 1944, in Docket No. MC-104416, *Greenfield Common Carrier Application*, 43 M. CC. 555, finding that applicant is entitled to a certificate of public convenience and necessity to transport passengers and their baggage in special operations in non-scheduled door-to-door service, limited to the transportation of not more than six passengers in any one vehicle, over irregular routes, between New York, N. Y., and Asbury Park and Bradley Beach, N. J.

On July 13, 1945, the petition was filed, and on August 23, 1945, the Commission's answer was filed.

Riss & Company, Inc., v. United States, western district of Missouri, western division.

Suit to set aside Commission's report of February 3, 1945, in Docket No. MC-200 (Sub-No. 46), *Riss & Co., Inc., Common Carrier Application*, in so far as it denies certain operating rights under the "grandfather" clause of sec. 206 (a) to plaintiff.

On August 14, 1945, the complaint was filed. On October 12, 1945, answer of Commission was filed, and on October 20, 1945, the case argued and submitted for decision.

Seatrain Lines, Inc., v. United States, eastern district of Kentucky, Lexington division.

Suit to set aside Commission's report and certificate dated August 13, 1942, in Docket No. W352, *Southern Pac. Co. Steamship Lines (Morgan Line) Common Carrier Application*, 250 I. C. C. 457, finding the Morgan Line entitled to continue operation as a common carrier by self-propelled vessels in the transportation of commodities, generally, between New York, N. Y., and Galveston and Houston, Tex., and between Baltimore, Md., and Galveston and Houston, by reason of its having been engaged in such operation on January 1, 1940, and continuously since, except for interruption of service beyond its control.

On August 16, 1945, the petition was filed, and on October 12, 1945, the Commission's answer was filed.

Motor Fuel Carriers, Inc., of Tampa, Fla. v. United States, eastern district of Virginia.

Suit to set aside Commission's orders in Docket No. MC-103142 (Sub-No. 17-TA), *Miller Motor Lines*, wherein the Commission granted, among other things, temporary authority for the transportation of Government-owned gasoline between points in Florida.

On August 20, 1945, the complaint was filed, and on October 15, 1945, motion to dismiss was filed.

New York Central R. Co. v. United States, southern district of Ohio, eastern division.

Suit to set aside Commission's report and order of May 8, 1945, in Docket No. 29103, *Summer & Co. v. New York Central R. Co.*, 262 I. C. C. 377, finding rates on scrap iron and steel, in carloads, from Hastings, Mich., and South Bend, Ind., to destinations in Ohio, unreasonable, and awarding reparation in addition to prescribing reasonable rates for the future.

On August 24, 1945, the complaint was filed.

Stearn and Hartman v. United States, western district of Virginia.

Suit to set aside Commission's orders of February 15, 1945, in Dockets Nos. MC-FC-20350 and 20351, *Applications for Transfer: J. M. Stearn, Transferee, Harrisonburg, Va., and Dan Hartman, dba Harrisonburg Motor Express, Transferor, Harrisonburg, Va.*, denying applications for authority to transfer portions of operating rights conferred in MC-20298 and MC-330.

On October 1, 1945, the petition was filed.

New York Central R. Co. v. United States, district of Ohio.

Suit to set aside the Commission's report and order of May 8, 1945, in Docket No. 29103, *Summer & Co. v. New York Central R. Co. et al.*, 262 I. C. C. 377, finding rates on scrap iron and steel, in carloads, from Hastings, Mich., and South Bend, Ind., to destinations in Ohio, unreasonable, and awarding reparation in addition to prescribing reasonable rates for the future.

On August 24, 1945, the bill of complaint was filed.

State of Nebraska and Nebraska Railway Commission v. United States and Interstate Commerce Commission, northern district of Illinois.

Suit to set aside the Commission's report and order of June 19, 1945, in Finance Docket No. 14368, *Chicago, Burlington & Quincy R. Co. Abandonment*, permitting the carrier to abandon a branch line of railroad between Helvey and K. C. & O. Junction, Nebr., also permitting the abandonment of operation by it over the line of the St. Joseph & Grand Island Ry. Co., the Union Pacific R. Co., lessee between K. C. & O. Junction and Endicott, Jefferson County, Nebr.

On October 25, 1945, the petition was filed and on November 19, 1945, the answer of the Commission was filed; argued and submitted for decision.

APPENDIX C

STATISTICAL SUMMARIES

A. Statistics of railway development since 1934.

B. Statistics from monthly and other periodical reports of carriers.

A. Statistics of Railway Development

Data for years preceding 1934 for most of the tables appear in prior reports.

TABLE I.—Mileage operated and mileage owned by steam railways in the United States, 1934-44

Year ended Dec. 31—	Road owned in the United States ¹ (first main track)	Total miles of all tracks operated, excluding trackage rights ²	Mileage operated by classes I, II, and III line-haul railways (including trackage rights)			
			First main track	Second or additional main tracks	Yard track and sidings	All tracks
1934.....	243, 857	401, 620	254, 882	42, 109	125, 410	422, 401
1935.....	241, 822	398, 396	252, 930	41, 916	124, 382	419, 228
1936.....	240, 104	395, 263	251, 542	41, 731	123, 108	416, 381
1937.....	238, 539	393, 030	250, 582	41, 579	122, 411	414, 572
1938.....	236, 842	389, 704	248, 474	41, 589	121, 261	411, 324
1939.....	235, 064	386, 819	246, 922	41, 445	119, 983	408, 350
1940.....	233, 670	385, 178	245, 740	41, 373	118, 862	405, 975
1941.....	231, 971	382, 439	244, 263	41, 166	118, 196	403, 625
1942.....	229, 174	378, 570	241, 737	41, 137	116, 753	399, 627
1943.....	227, 999	377, 631	240, 745	41, 093	116, 892	398, 730
1944.....	227, 335	377, 210	240, 215	41, 178	117, 044	398, 437

¹ Includes mileage of some small companies that do not make annual reports to the Commission.

² Includes mileage of classes I, II, and III line-haul railways and switching and terminal companies.

TABLE II.—Equipment of steam railways, including switching and terminal companies, in service at the close of each year, 1934-44¹

Year ended Dec. 31—	Locomotives							
	Steam		Electric		Diesel-electric		Other	
	Number	Average tractive effort ²	Number	Average tractive effort ²	Number	Average tractive effort ²	Number	Average tractive effort ²
1934.....	50, 465	<i>Pounds</i> 47, 712	805	<i>Pounds</i> 52, 555	104	<i>Pounds</i> (³)	49	<i>Pounds</i> (³)
1935.....	48, 477	48, 367	884	53, 688	130	(³)	50	(³)
1936.....	46, 923	48, 972	858	54, 731	175	(³)	53	(³)
1937.....	46, 342	49, 412	872	54, 957	293	(³)	48	(³)
1938.....	45, 210	49, 803	882	55, 402	403	(³)	49	(³)
1939.....	43, 604	50, 395	879	55, 661	639	(³)	50	(³)
1940.....	42, 410	50, 905	900	56, 238	967	55, 130	56	22, 610
1941.....	41, 911	51, 217	895	56, 301	1, 517	54, 733	52	22, 628
1942.....	41, 755	51, 811	892	56, 591	1, 978	54, 942	46	22, 740
1943.....	41, 983	52, 451	907	56, 896	2, 476	55, 200	40	19, 923
1944.....	41, 921	52, 822	902	56, 878	3, 432	56, 398	50	21, 684

See footnotes at end table.

TABLE II.—*Equipment of steam railways, including switching and terminal companies, in service at the close of each year, 1934-44*¹—Continued

Year ended Dec. 31—	Cars					
	Freight cars (excluding caboose)		Passenger train	Coaches		
	Number	Average capacity ²	Number	Number	Average seating capacity ²	Number air-con- ditioned ²
		<i>Tons</i>				
1934.....	1, 973, 247	48.0	44, 884	20, 763	78	(3)
1935.....	1, 867, 381	48.3	42, 426	19, 384	78	(3)
1936.....	1, 790, 043	48.8	41, 390	18, 893	80	(2)
1937.....	1, 776, 428	49.2	40, 949	18, 585	78	3, 387
1938.....	1, 731, 096	49.4	39, 931	18, 124	78	3, 732
1939.....	1, 680, 519	49.7	38, 977	17, 827	78	4, 106
1940.....	1, 684, 171	50.0	38, 308	17, 470	77	4, 374
1941.....	1, 732, 673	50.3	38, 334	17, 490	77	4, 784
1942.....	1, 773, 735	50.5	38, 446	17, 807	77	5, 166
1943.....	1, 784, 472	50.7	38, 331	17, 929	77	5, 291
1944.....	1, 797, 012	50.8	38, 217	17, 842	77	5, 316

¹ Privately owned cars and cars owned or leased by the Pullman Co., are not included. In 1944, privately owned freight-carrying cars numbered 270,936, and cars owned or leased by the Pullman Co., 8,751.

² Class I steam railways.

³ Not available in these years.

TABLE III.—*Railway capital actually outstanding and net income, 1934-44: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Total rail- way capital	Funded debt unmatured ¹	Preferred stock	Common stock	Ratio of debt to capital	Net income ²	Ratio of net in- come to stock
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Percent</i>	<i>Thousands</i>	<i>Percent</i>
1934.....	\$22, 412, 057	\$12, 453, 507	\$2, 027, 155	\$7, 931, 395	55.6	\$23, 282	0.23
1935.....	22, 079, 551	12, 154, 349	2, 017, 731	7, 907, 471	55.0	52, 177	.53
1936.....	21, 961, 035	12, 031, 385	2, 016, 857	7, 912, 793	54.8	221, 591	2.23
1937.....	21, 694, 645	11, 881, 981	2, 022, 887	7, 789, 777	54.8	146, 351	1.49
1938.....	21, 428, 320	11, 639, 907	2, 022, 436	7, 765, 977	54.3	87, 468	-----
1939.....	21, 193, 501	11, 419, 945	2, 022, 266	7, 751, 290	53.9	141, 134	1.44
1940.....	21, 047, 280	11, 277, 306	2, 036, 121	7, 733, 853	53.6	243, 148	2.49
1941.....	20, 707, 778	11, 208, 816	1, 952, 593	7, 546, 369	54.1	557, 672	5.87
1942.....	20, 471, 191	10, 970, 648	1, 935, 222	7, 565, 321	53.6	992, 843	10.45
1943.....	19, 913, 582	10, 484, 259	1, 912, 119	7, 517, 204	52.6	946, 150	10.03
1944.....	19, 405, 543	9, 957, 164	1, 984, 173	7, 464, 206	51.3	733, 461	7.76

¹ Does not include long-term debt in default. For class I railways and their nonoperating subsidiaries such debt amounted to \$703,614 (thousands) at the close of 1944.

² Intercompany duplications not eliminated, but amounts shown correspond with the stock in the second and third preceding columns. Deficits shown in italics.

TABLE IV.—*Dividends, 1934-44: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Proportion of stock paying dividends ¹	Amount of dividends ¹	Average rate on—		Dividends declared ²	
			Dividend- paying stock ¹	All stock	On preferred stock	On common stock
	<i>Percent</i>	<i>Thousands</i>	<i>Percent</i>	<i>Percent</i>		
1934.....	34.26	\$211, 767	6.21	2.13	\$18, 389, 133	\$115, 029, 763
1935.....	34.39	202, 568	5.94	2.04	17, 956, 113	108, 326, 193
1936.....	36.20	231, 733	6.45	2.33	27, 559, 427	142, 269, 863
1937.....	39.64	227, 596	5.85	2.32	27, 488, 440	140, 413, 594
1938.....	32.07	136, 270	4.34	1.39	13, 643, 634	69, 088, 932
1939.....	32.64	179, 412	5.62	1.84	19, 154, 336	106, 799, 624
1940.....	38.29	216, 522	5.79	2.22	23, 540, 218	135, 774, 682
1941.....	40.65	239, 438	6.20	2.52	27, 445, 002	158, 400, 721
1942.....	56.37	254, 088	4.74	2.67	34, 422, 097	167, 848, 035
1943.....	57.97	263, 919	4.83	2.83	37, 046, 973	179, 496, 716
1944.....	58.46	292, 248	5.29	3.09	54, 577, 117	191, 401, 095

¹ Includes figures for lessors and operating railways without excluding duplications on account of intercompany payments. Stock dividends for the last 11 years have been as follows: \$15, 436, 348 in 1936 and \$705,000 in 1943.

² By class I line-haul railways.

TABLE V.—*Reported property investment and selected income items, 1934-44: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Investment ¹	Invest- ment per mile of road	Depre- ciation reserve	Net railway operating income ²	Other in- come ³	Fixed charges and other deduc- tions ⁴	Net income
	<i>Thousands</i>		<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
1934.....	\$ 25,681,608	\$106,279	\$2,764,726	\$465,896	\$203,941	\$694,360	\$23,282
1935.....	\$ 25,500,465	106,339	2,771,404	505,415	186,228	686,688	52,177
1936.....	\$ 25,432,388	106,783	2,809,063	675,600	182,821	693,479	221,591
1937.....	\$ 25,636,082	108,235	2,950,848	597,841	170,337	670,291	146,351
1938.....	\$ 25,595,739	108,371	3,044,972	376,865	150,566	654,023	87,468
1939.....	\$ 25,538,157	109,331	3,102,779	595,961	156,050	658,505	141,134
1940.....	\$ 25,646,014	110,449	3,095,237	690,554	163,385	662,848	243,148
1941.....	\$ 25,668,984	111,352	3,240,145	1,009,592	169,519	674,455	557,672
1942.....	\$ 25,838,351	113,364	3,561,570	1,499,364	175,296	764,055	992,843
1943.....	\$ 26,145,458	115,288	3,939,562	1,370,569	194,440	686,576	946,150
1944.....	\$ 26,631,654	117,771	4,382,604	1,113,153	202,827	647,064	733,461

¹ Includes investment of operating, lessor, and proprietary companies. Proprietary companies do not render annual reports to the Commission but information concerning them is given in reports of the operating companies.

² This term, as defined in the Interstate Commerce Act, means "railway operating income, including in the computation thereof debits and credits arising from equipment rents and joint facility rents."

³ Includes amounts received as interest or dividends on railroad securities owned by reporting carriers. See Statistics of Railways, table 109. Figures represent classes I, II and III line-haul railways.

⁴ The interest included represents accruals, not payments. In 1944, the interest accrued on unmatured funded debt and long-term debt in default in excess of payments was \$51,768,885 for class I steam railways. Figures represent classes I, II and III line-haul railways.

⁵ Includes investment of lessor and proprietary companies, as follows, but excludes investment of proprietary companies in systems which file consolidated annual reports combining the mileage, investment, and other items on a net system basis.

Year	Lessor companies	Proprietary companies	Year	Lessor companies	Proprietary companies
	<i>Thousands</i>	<i>Thousands</i>		<i>Thousands</i>	<i>Thousands</i>
1934.....	\$4,306,287	\$890,581	1940.....	\$4,093,043	\$809,391
1935.....	4,302,199	861,716	1941.....	4,000,275	818,066
1936.....	4,690,072	861,696	1942.....	3,933,048	803,280
1937.....	4,174,633	848,173	1943.....	3,885,103	858,312
1938.....	4,105,320	840,033	1944.....	3,865,708	811,979
1939.....	4,104,416	853,848			

⁶ Includes amortization of defense projects.

TABLE VI.—*Operating revenues, operating expenses, and taxes, class I line-haul railways, 1934-44*

Year ended Dec. 31—	Operating revenues	Freight revenues	Passenger revenues	Operating expenses	Railway tax accruals ¹			Ratio of total operating expenses to total operating revenues
					U. S. Gov- ernment taxes	Other than U. S. Gov- ernment taxes	Total	
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Percent</i>
1934.....	\$3,271,567	\$2,629,302	\$345,890	\$2,441,823	\$21,646	\$220,167	\$241,813	74.64
1935.....	3,451,929	2,786,118	357,493	2,592,741	26,795	212,646	239,441	75.11
1936.....	4,052,734	3,302,894	412,144	2,931,425	94,008	228,384	322,392	72.33
1937.....	4,166,069	3,370,959	442,518	3,119,065	75,992	253,409	329,401	74.87
1938.....	3,565,491	2,852,112	405,598	2,722,199	77,423	265,771	343,194	76.35
1939.....	3,995,004	3,244,445	416,531	2,918,210	121,082	237,363	358,445	73.05
1940.....	4,296,601	3,528,782	416,897	3,089,417	183,546	215,179	398,725	71.90
1941.....	5,346,700	4,443,405	514,633	3,664,232	331,047	224,282	555,329	68.53
1942.....	7,465,823	5,944,344	1,028,186	4,601,083	955,352	248,404	1,203,756	61.63
1943.....	9,054,724	6,782,470	1,652,868	5,657,461	1,583,256	270,880	1,854,136	62.48
1944.....	9,436,790	6,998,606	1,790,305	6,282,063	1,564,118	285,791	1,849,909	66.57

¹ Includes lessor companies.

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TABLE VII.—*Number and compensation of employees, class I line-haul railways, 1934-44*

Year ended Dec. 31—	Average number of employees during year ¹	Total hours paid for	Compensation of railway employees ²			
			Total	Average per hour	Ratio to revenues	Ratio to expenses
		<i>Thousands</i>	<i>Thousands</i>		<i>Percent</i>	<i>Percent</i>
1934.....	1,007,702	2,393,899	1,519,352	\$0.635	46.44	62.22
1935.....	994,371	2,397,353	1,643,879	.686	47.62	63.40
1936.....	1,065,624	2,675,345	1,848,636	.691	45.61	63.06
1937.....	1,114,663	2,799,539	1,985,447	.709	47.66	63.66
1938.....	939,171	2,329,606	1,746,141	.750	48.97	64.14
1939.....	987,675	2,488,635	1,863,334	.749	46.64	63.85
1940.....	1,026,848	2,615,905	1,964,125	.751	45.71	63.58
1941.....	1,139,925	2,989,788	2,331,650	.780	43.61	63.63
1942.....	1,270,687	3,440,957	2,932,070	.852	39.27	63.73
1943.....	1,355,114	3,816,420	3,520,926	.923	38.88	62.24
1944.....	1,414,776	3,996,873	3,857,957	.965	40.88	61.41

¹ This is the average of 12 counts made at middle of month and differs from the number of persons receiving pay during the month or year regardless of whether for a long or short period.

² In 1944, \$3,650,582 (thousands) or 94.62 percent of the reported compensation, was chargeable to operating expenses.

TABLE VIII.—*Freight transportation service performed by line-haul railways, 1934-44*

Year ended Dec. 31—	Revenue tons originated	Revenue tons carried 1 mile	Loaded-car miles	Average haul		Average amount received for each ton originated	Revenue per ton-mile
				United States as a system	For the individual road		
	<i>Thousands</i>	<i>Millions</i>	<i>Millions</i>	<i>Miles</i>	<i>Miles</i>		<i>Cents</i>
1934.....	802,276	270,292	11,657	336.91	187.65	\$3.330	0.989
1935.....	831,556	283,637	12,076	341.05	188.77	3.404	.998
1936.....	1,011,530	241,182	14,031	337.29	188.94	3.318	.984
1937.....	1,075,237	362,815	14,702	337.43	188.14	3.189	.945
1938.....	819,733	291,866	12,266	356.05	196.87	3.539	.994
1939.....	954,924	335,375	13,639	351.21	193.91	3.453	.983
1940.....	1,069,045	375,369	14,777	351.13	192.75	3.353	.955
1941.....	1,295,860	477,576	18,172	368.54	198.59	3.480	.944
1942.....	1,498,477	640,992	21,536	427.76	217.55	4.022	.940
1943.....	1,556,558	730,132	23,284	469.07	231.23	4.411	.940
1944.....	1,564,780	740,586	24,186	473.28	234.62	4.529	.957

TABLE IX.—*Carload, trainload, and density of traffic, class I line-haul railways, 1934-44*

Year ended Dec. 31—	Ton-miles revenue and nonrevenue freight per loaded freight-car mile	Revenue ton-miles per train-mile	Passenger-miles per car-mile	Passenger-miles per train-mile	Revenue ton-miles per mile of road	Passenger-miles per mile of road
1934.....	25.48	639	11	47	1,124,542	75,730
1935.....	25.79	662	11	48	1,185,368	78,116
1936.....	26.77	703	13	55	1,432,154	95,232
1937.....	27.07	724	13	59	1,530,667	105,377
1938.....	26.04	691	12	55	1,235,843	93,544
1939.....	26.86	743	13	58	1,427,115	98,559
1940.....	27.59	781	13	61	1,602,009	103,621
1941.....	28.41	845	15	73	2,044,237	128,413
1942.....	31.78	968	22	125	2,760,479	236,400
1943.....	33.29	1,050	31	190	3,168,749	389,839
1944.....	32.60	1,068	32	201	3,222,168	425,012

TABLE X.—*Passenger transportation service performed by line-haul railways, 1934-44*

Year ended Dec. 31—	Passen- gers carried	Passen- ger-miles	Average journey per pas- senger ¹	Average receipts per pas- senger	Revenue per passen- ger-mile
	<i>Millions</i>	<i>Millions</i>	<i>Miles</i>		<i>Cents</i>
1934.....	452	18,069	39.96	\$0.767	1.920
1935.....	448	18,509	41.31	.800	1.936
1936.....	492	22,460	45.60	.839	1.840
1937.....	500	24,695	49.42	.888	1.796
1938.....	455	21,657	47.65	.894	1.877
1939.....	454	22,713	50.02	.920	1.839
1940.....	456	23,816	52.22	.916	1.755
1941.....	489	29,406	60.18	1.056	1.754
1942.....	672	53,747	79.93	1.533	1.917
1943.....	888	87,925	99.05	1.865	1.883
1944.....	916	95,663	104.46	1.958	1.875

¹ This average is affected by the changing ratio of commutation traffic to the total traffic.

TABLE XI.—*Fuel consumed by steam locomotives, and rails and ties laid, class I line-haul railways, 1934-44*

Year ended Dec. 31—	Bitumi- nous coal	Anthra- cite coal	Fuel oil		Total fuel ¹	Rails ap- plied in replace- ment and better- ment (all tracks)	Ties laid in previously constructed tracks	
							Cross ties	Switch and bridge ties
	<i>Net tons</i>	<i>Net tons</i>	<i>Thousands of gallons</i>	<i>Equivalent tons</i>	<i>Net tons</i>	<i>Long tons</i>	<i>Number</i>	<i>Feet (b. m.)</i>
1934.....	70,495,547	608,079	1,868,381	11,667,945	82,810,885	1,165,304	43,306,205	155,248,532
1935.....	71,334,736	508,229	1,998,176	12,920,919	84,782,729	1,159,039	44,326,151	156,535,925
1936.....	81,129,740	484,537	2,353,484	15,106,820	96,755,785	1,701,350	47,361,015	167,377,828
1937.....	82,666,673	473,286	2,581,441	16,561,713	99,732,944	1,974,597	47,729,538	159,429,849
1938.....	68,793,756	432,683	2,240,299	14,402,304	83,664,267	1,202,943	41,363,224	141,887,780
1939.....	73,935,025	719,200	2,334,571	15,020,974	89,718,757	1,719,306	45,088,278	147,044,571
1940.....	79,628,318	285,653	2,502,868	16,118,796	96,066,679	1,911,513	43,620,653	145,553,116
1941.....	91,655,061	432,080	3,025,461	19,497,035	111,616,334	2,228,822	47,224,593	144,599,723
1942.....	109,618,324	263,371	3,905,096	25,128,332	135,037,207	2,250,280	48,616,228	136,944,189
1943.....	122,593,389	280,958	4,433,419	28,511,597	151,411,739	2,409,989	45,439,512	124,097,473
1944.....	122,653,989	197,232	4,511,002	29,048,228	151,928,340	2,878,068	48,032,634	137,780,487

¹ In the statement of consumption of fuel by locomotives, 1 cord of hardwood is considered as equivalent to $\frac{3}{8}$ of a ton of fuel and 1 cord of softwood as equivalent to $\frac{1}{2}$ of a ton of fuel. The ratio used in reducing fuel oil to tons of fuel is left to the experience of each road. Figures include data for cordwood, also a small amount of miscellaneous fuel. Does not include equivalent tons for fuel consumed by motive power units, other than steam locomotives, which in 1944 amounted to 11,340,579 tons.

TABLE XII.—Selected data from annual reports of class I line-haul railways, 1944 and 1943, by districts

Item	All districts		Eastern district	
	Year ended Dec. 31—			
	1944	1943	1944	1943
Railway operating revenues (thousands) -----	\$9,436,790	\$9,054,724	\$3,639,466	\$3,548,755
Railway operating expenses:				
Total (thousands) -----	\$6,282,063	\$5,657,461	\$2,632,911	\$2,386,194
Maintenance of way and structures (thous- sands) -----	\$1,263,292	\$1,108,281	\$483,462	\$421,655
Maintenance of equipment (thousands) -----	\$1,587,485	\$1,440,341	\$659,552	\$606,788
Transportation—rail line (thousands) -----	\$2,973,907	\$2,686,052	\$1,315,709	\$1,197,568
Net railway operating income (thousands) -----	\$1,106,327	\$1,359,768	\$384,885	\$484,099
Freight-service statistics:				
Freight revenue (thousands) -----	\$6,998,606	\$6,782,470	\$2,666,022	\$2,639,352
Revenue tons originated (thousands) -----	1,491,491	1,481,225	607,633	592,145
Total revenue tons carried (thousands) -----	3,005,798	3,008,045	1,476,499	1,471,618
Revenue tons carried 1 mile (thousands) -----	737,246,444	727,075,495	275,843,454	280,477,206
Revenue per ton-mile (cents) -----	0.949	0.933	0.966	0.941
Revenue ton-miles per mile of road -----	3,222,168	3,168,749	4,908,995	4,973,466
Freight train-miles (thousands) -----	698,761	701,212	234,924	240,118
Revenue ton-miles per train-mile -----	1,068	1,050	1,194	1,188
Loaded car-miles (thousands) -----	24,087,991	23,193,928	8,574,907	8,541,913
Empty car-miles (thousands) -----	12,531,812	12,896,669	4,804,135	5,053,625
Ton-miles revenue and nonrevenue freight per loaded car-mile -----	32.60	33.29	33.88	34.40
Average haul per road (miles) -----	245.27	241.71	186.82	190.59
Passenger-service statistics:				
Passenger revenue (thousands) -----	\$1,790,305	\$1,652,868	\$723,801	\$664,953
Passengers carried (thousands) -----	910,295	881,965	612,310	596,135
Passenger-miles (thousands) -----	95,549,090	87,819,503	37,522,487	34,276,216
Revenue per passenger-mile (cents) -----	1.87	1.88	1.93	1.94
Passenger-miles per mile of road -----	425,012	389,839	699,003	636,158
Average journey per passenger (miles) -----	104.96	99.57	61.28	57.50
Passenger-miles per train-mile -----	201	190	195	183

Item	Southern district		Western district	
	Year ended Dec. 31—			
	1944	1943	1944	1943
Railway operating revenues (thousands) -----	\$1,776,623	\$1,717,142	\$4,020,701	\$3,788,827
Railway operating expenses:				
Total (thousands) -----	\$1,101,086	\$983,591	\$2,548,066	\$2,287,676
Maintenance of way and structures (thous- sands) -----	\$215,207	\$185,641	\$564,623	\$500,985
Maintenance of equipment (thousands) -----	\$299,813	\$267,908	\$628,120	\$565,645
Transportation—rail line (thousands) -----	\$503,124	\$451,405	\$1,155,074	\$1,037,079
Net railway operating income (thousands) -----	\$233,683	\$273,012	\$487,759	\$602,657
Freight-service statistics:				
Freight revenue (thousands) -----	\$1,325,844	\$1,289,058	\$3,006,740	\$2,854,060
Revenue tons originated (thousands) -----	355,928	358,953	527,930	530,127
Total revenue tons carried (thousands) -----	617,771	622,289	911,528	914,138
Revenue tons carried 1 mile (thousands) -----	152,253,225	151,154,767	309,149,765	295,443,522
Revenue per ton-mile (cents) -----	0.871	0.853	0.972	0.966
Revenue ton-miles per mile of road -----	3,510,565	3,480,423	2,393,008	2,280,246
Freight train-miles (thousands) -----	146,789	147,552	317,048	313,542
Revenue ton-miles per train-mile -----	1,049	1,037	984	951
Loaded car-miles (thousands) -----	4,511,330	4,403,451	11,001,754	10,248,564
Empty car-miles (thousands) -----	2,555,714	2,620,712	5,171,963	5,222,332
Ton-miles revenue and nonrevenue freight per loaded car-mile -----	35.81	36.35	36.28	31.05
Average haul per road (miles) -----	246.46	242.90	339.16	323.19
Passenger-service statistics:				
Passenger revenue (thousands) -----	\$352,289	\$336,785	\$714,215	\$651,130
Passengers carried (thousands) -----	131,687	130,663	166,298	155,167
Passenger-miles (thousands) -----	17,651,744	16,955,226	40,374,859	36,588,061
Revenue per passenger-mile (cents) -----	2.00	1.99	1.77	1.78
Passenger-miles per mile of road -----	407,004	390,404	316,009	285,931
Average journey per passenger (miles) -----	134.04	129.76	242.79	235.80
Passenger-miles per train mile -----	204	201	204	190

B. Statistics From Monthly and Other Periodical Reports of Carriers

TABLE A.—Analysis of operating revenues, expenses, and income, class I steam railways, excluding switching and terminal companies, 1944-45

Item	9 months, January to September, inclusive		Calendar year
	1945	1944	1944
Operating revenues:			
Freight.....	\$5,176,553,127	\$5,245,353,840	\$6,998,614,851
Passenger.....	1,263,185,856	1,357,236,119	1,790,305,286
Mail.....	94,173,159	91,715,139	130,245,806
Express.....	112,962,294	106,658,663	143,852,586
All other.....	283,520,611	279,558,413	373,771,283
Total.....	¹ 6,930,395,047	² 7,080,522,174	³ 9,436,789,812
Percent of total:			
Freight.....	74.69	74.08	74.16
Passenger.....	18.23	19.17	18.97
Mail.....	1.36	1.29	1.38
Express.....	1.63	1.51	1.53
All other.....	4.09	3.95	3.96
Operating expenses:			
Maintenance of way and structures.....	989,717,129	939,320,898	1,263,353,774
Maintenance of equipment.....	1,317,978,493	1,185,075,569	1,587,484,858
Traffic.....	106,511,537	100,576,363	136,744,340
Transportation.....	2,254,737,765	2,198,998,152	2,973,909,772
General.....	155,002,193	149,701,427	201,337,398
All other.....	89,272,542	88,965,093	119,294,558
Total.....	4,913,219,659	4,662,587,502	6,282,124,700
Percent of total:			
Maintenance of way and structures.....	20.14	20.15	20.11
Maintenance of equipment.....	26.83	25.41	25.27
Traffic.....	2.17	2.16	2.18
Transportation.....	45.89	47.16	47.34
General.....	3.15	3.21	3.20
All other.....	1.82	1.91	1.90
Railway tax accruals.....	1,113,317,603	1,423,159,616	1,846,043,131
Equipment rents—debit.....	105,415,922	116,128,584	152,013,713
Joint facility rents—debit.....	31,533,827	34,707,783	50,343,132
Net railway operating income.....	766,908,036	843,938,689	1,106,265,136
Other income.....	135,112,718	134,467,152	211,512,095
Interest rents, and other deductions.....	449,088,021	479,218,080	650,163,717
Net income.....	451,565,025	497,355,109	667,613,514

¹ Excludes \$35,478,831 deductions to create a reserve for land grant deductions in dispute.² Excludes \$34,518,766 deductions to create a reserve for land grant deductions in dispute.³ Excludes \$46,683,251 deductions to create a reserve for land grant deductions in dispute.

TABLE B.—*Selected operating averages in freight and passenger service of class I steam railways in the United States, 1944-45*

Item	8 months, January to August, inclusive		Calendar year
	1945	1944	1944
Average miles of road operated, freight service.....	227,303	227,387	227,336
Average miles of road operated, passenger service.....	161,494	161,881	161,908
Net ton-miles per mile of road per day.....	9,300	9,527	9,441
Percent of freight locomotives unserviceable.....	13.2	12.3	12.4
Percent of freight cars unserviceable.....	3.2	2.5	2.5
Percent of loaded of total car-miles.....	67.0	65.3	65.8
Percent east-bound or north-bound of loaded car-miles.....	55.4	58.6	58.0
Car-miles per car-day.....	48.8	49.7	49.3
Net ton-miles per car-day.....	105.8	106.7	1,059
Net ton-miles per loaded car-mile.....	32.4	32.9	32.7
Car-miles per train-mile.....	52.9	53.0	53.0
Gross ton-miles per train-mile (excluding locomotives and tenders).....	2,419	2,409	2,409
Net ton-miles per train-mile (including nonrevenue tons).....	1,147	1,139	1,138
Average miles per hour, trains in freight service.....	15.7	15.7	15.7
Pounds of coal per 1,000 gross ton-miles (including locomotives and tenders).....	121	118	119
Average cost of coal per ton (including freight charges).....	\$3.42	\$3.34	\$3.33
Revenue per ton-mile.....	\$0.00972	\$0.00940	\$0.00949
Average haul per revenue ton per railroad.....	244.0	243.2	243.5
Number of freight-train miles.....	454,160,269	470,448,851	699,069,552
Number of passenger-train miles.....	314,964,659	315,628,301	476,178,566
Number of passenger-train car-miles.....	3,069,378,120	3,042,674,512	4,617,595,900
Passenger-train cars per train.....	9.75	9.64	9.70
Revenue per passenger per mile:			
Including commutation passengers.....	\$0.0188	\$0.0187	\$0.0187
Excluding commutation passengers.....	\$0.0193	\$0.0192	\$0.0192

TABLE C.—*Average number of employees and total compensation, by groups of employees, class I steam railways, excluding switching and terminal companies, 1944-45*

Groups of employees	Calendar year 1944		8 months, January to August, inclusive	
	Average number of employees middle of month	Total compensation	Average number of employees middle of month	
			1945	1944
I. Executives, officials, and staff assistants.....	14,591	\$90,703,803	14,899	14,538
II. Professional, clerical and general.....	229,380	580,094,759	232,361	228,766
III. Maintenance of way and structures.....	294,246	601,625,786	303,757	295,948
IV. Maintenance of equipment and stores.....	389,176	1,048,834,257	389,695	390,220
V. Transportation (other than train, engine, and yard).....	167,853	394,251,744	169,907	166,960
VI (a). Transportation (yardmasters, switch tenders, and hostlers).....	18,046	62,614,467	18,384	17,999
VI (b). Transportation (train and engine service).....	300,380	1,075,219,865	299,873	300,594
All employees.....	1,413,672	3,853,344,681	1,428,876	1,415,025

TABLE D.—*Carloads and tons of revenue freight originated and freight revenue, by commodities, calendar year 1944, class I steam railways*

Commodity groups	Number of carloads	Number of tons (2,000 pounds)	Freight revenue
Products of agriculture:			
Wheat.....	777, 677	38, 909, 044	\$173, 885, 444
Corn.....	311, 344	15, 044, 406	62, 042, 140
Flour, wheat.....	317, 360	11, 419, 948	53, 649, 809
Mill products, n. o. s.....	475, 366	15, 165, 393	51, 180, 169
Cotton in bales.....	206, 182	3, 576, 657	31, 753, 513
Oranges and grapefruit.....	169, 394	3, 927, 728	76, 708, 249
Potatoes, other than sweet.....	282, 897	5, 953, 496	64, 206, 543
Vegetables, fresh n. o. s.....	195, 506	2, 546, 288	65, 227, 296
All other.....	1, 687, 896	49, 142, 571	334, 099, 116
Total.....	4, 423, 622	145, 685, 531	912, 752, 279
Animals and products:			
Livestock ¹	868, 292	9, 988, 344	83, 143, 021
Fresh meats, n. o. s.....	314, 147	4, 872, 165	76, 562, 894
Meats, cured, dried, and smoked.....	81, 115	2, 137, 471	25, 075, 571
Packing-house products (edible), n. o. s. ²	58, 977	1, 456, 865	18, 616, 017
Butter.....	27, 406	530, 046	9, 250, 557
Hides, green.....	29, 907	860, 103	9, 642, 090
All other.....	261, 148	5, 567, 669	70, 281, 396
Total.....	1, 640, 992	25, 412, 663	292, 571, 546
Products of mines:			
Anthracite coal.....	1, 345, 735	77, 100, 767	126, 008, 579
Bituminous coal.....	7, 465, 322	424, 053, 661	935, 415, 860
Coke.....	640, 368	23, 069, 715	47, 465, 131
Iron ore.....	1, 643, 316	100, 454, 208	132, 038, 832
Gravel and sand (other than glass or molding).....	672, 430	38, 555, 993	34, 496, 072
Stone, broken, ground, or crushed.....	357, 671	20, 417, 988	19, 199, 908
All other.....	2, 099, 031	101, 612, 730	343, 711, 728
Total.....	14, 223, 873	785, 265, 062	1, 638, 336, 110
Products of forests:			
Logs.....	516, 330	18, 697, 435	13, 019, 724
Posts, poles, and piling.....	101, 230	2, 902, 023	14, 880, 322
Pulpwood.....	499, 095	19, 651, 119	25, 954, 286
Lumber, shingles, and lath.....	894, 368	30, 396, 028	236, 757, 391
All other.....	416, 336	12, 084, 188	63, 272, 145
Total.....	2, 427, 359	83, 730, 793	353, 883, 868
Manufactures and miscellaneous:			
Petroleum oils, refined, and all other gasoline.....	1, 059, 200	30, 224, 416	270, 008, 625
Fuel, road, and petroleum residual oils, n. o. s.....	632, 017	20, 889, 499	168, 935, 080
Sugar (beet and cane).....	141, 480	5, 970, 395	35, 849, 884
Iron and steel pipe and fittings, n. o. s.....	195, 982	6, 477, 111	73, 685, 978
Iron and steel rated 5th class, n. o. s.; also tin andterne-plate.....	1, 182, 988	49, 372, 895	351, 449, 372
Cement, natural and portland (building).....	320, 918	13, 518, 974	38, 790, 907
Automobiles (passenger).....	32, 304	294, 195	10, 177, 135
Automobiles and auto trucks, K. D. and parts, n. o. s.....	209, 493	4, 884, 393	62, 157, 795
Beverages.....	248, 622	7, 072, 713	73, 840, 893
Fertilizers, n. o. s.....	444, 762	18, 915, 223	68, 547, 918
Canned food products, n. o. s.....	407, 511	14, 084, 074	135, 397, 082
Scrap iron and steel.....	884, 871	16, 773, 026	43, 141, 003
All other.....	8, 564, 950	242, 795, 058	2, 427, 413, 965
Total.....	13, 825, 098	431, 271, 972	3, 759, 395, 637
Grand total, carload traffic.....	36, 540, 944	1, 471, 366, 021	6, 956, 939, 440
All l. c. l. freight.....		20, 125, 212	374, 130, 598
Grand total, carload and l. c. l. traffic.....		1, 491, 491, 233	7, 331, 070, 038

¹ Horses, mules, ponies, asses, cattle and calves, sheep, goats and hogs.² Not including canned meats.

TABLE E.—*Summary of casualties to persons on steam railways in the United States for the years ended Dec. 31, 1943, 1942, 1941, and 1940*

Class of persons	Number of persons									
	Killed					Injured				
	1944	1943	1942	1941	1940	1944	1943	1942	1941	1940
1. Trespassers.....	1,445	1,667	1,925	2,104	1,977	959	1,126	1,348	1,572	1,765
2. Employees:										
Trainmen on duty.....	445	505	534	454	306	20,951	18,975	14,323	9,943	7,036
Other employees.....	353	376	312	208	169	3,255	3,098	2,112	1,253	920
Total employees.....	898	881	846	662	475	24,206	22,073	16,435	11,196	7,956
3. Passengers on trains.....	239	253	91	34	75	4,698	5,031	3,395	2,916	2,530
4. Travelers not on trains.....	10	9	19	5	5	138	113	97	81	60
5. Persons carried under contract.....	8	11	16	8	4	395	411	312	271	188
6. Other nontrespassers.....	1,928	1,861	2,106	2,070	1,908	4,703	4,814	5,240	5,395	5,059
Total, train and train-service acci-										
dents (1 to 6).....	4,528	4,682	5,003	4,883	4,444	35,099	33,568	26,827	21,431	17,558
7. Casualties in nontrain accidents.....	253	260	230	203	168	26,128	26,749	21,281	16,380	12,032
Total, 1 to 7.....	4,781	4,942	5,233	5,086	4,612	61,227	60,317	48,108	37,811	29,590
8. Casualties at grade crossings ¹	1,840	1,732	1,970	1,931	1,808	4,216	4,217	4,616	4,885	4,632
9. Casualties excluded from all totals ²	127	109	104	105	128	24	31	15	18	16

¹ Included in total for items 1 to 6, and distributed under various heads, chiefly item 6.² Figures relate to suicides, persons mentally deranged, and persons attempting to escape custody.

TABLE F.—Revenues, expenses, and income of class I motor carriers¹ of property for the calendar year 1944 compared with those of the same carriers for 1943²

Item	Total carriers reported	
	1944	1943
<i>Intercity carriers</i>		
Number of carriers represented.....	1, 202	1, 202
Revenues:		
Freight revenue—Intercity—Common carrier.....	\$622, 854, 157	\$606, 690, 888
Freight revenue—Intercity—Contract carrier.....	44, 242, 487	43, 217, 177
Freight revenue—Local service.....	9, 923, 728	8, 523, 042
Other operating revenue.....	4, 070, 165	3, 414, 159
Total operating revenues.....	681, 090, 537	661, 845, 266
Expenses:		
Equipment maintenance and garage expense.....	114, 725, 372	101, 400, 229
Transportation expense.....	171, 653, 158	170, 925, 304
Terminal expense.....	124, 785, 642	118, 233, 830
Sales, tariff, and advertising expense.....	17, 265, 993	17, 341, 442
Insurance and safety expense.....	38, 589, 161	36, 094, 519
Administrative and general expense.....	63, 148, 865	62, 601, 486
Total operation and maintenance expenses.....	530, 168, 191	506, 596, 810
Depreciation expense.....	24, 311, 052	23, 957, 990
Amortization chargeable to operations.....	174, 249	152, 623
Operating taxes and licenses.....	45, 119, 335	44, 152, 856
Operating rents—net.....	66, 414, 529	63, 345, 087
Total expenses.....	666, 187, 356	638, 205, 366
Operating ratio (percent).....	97. 8	96. 4
Net operating revenue.....	\$14, 903, 181	\$23, 639, 900
Other income.....	3, 720, 256	3, 359, 040
Other deductions.....	4, 056, 985	4, 242, 403
Net income before income taxes.....	14, 566, 452	22, 756, 537
Net income after income taxes.....	7, 144, 955	12, 097, 940
<i>Local carriers</i>		
Number of carriers represented.....	349	349
Total operating revenues.....	\$140, 187, 457	\$132, 822, 850
Total expenses.....	\$132, 321, 201	\$124, 230, 779
Operating ratio (percent).....	94. 4	93. 5
Net operating revenue.....	\$7, 866, 256	\$8, 592, 071
Other income.....	\$8, 083, 593	\$7, 201, 492
Other deductions.....	\$1, 594, 597	\$1, 303, 583
Net income before income taxes.....	\$14, 355, 552	\$14, 489, 980
Net income after income taxes.....	\$7, 907, 628	\$7, 438, 517

¹ Class I motor carriers are those having average gross operating revenues of \$100,000 or over annually, the total annual revenues of which are about half of the grand total for all motor carriers whose rates and services are subject to the jurisdiction of the Interstate Commerce Commission.

² This table does not include the reports of 185 carriers that failed to furnish comparable figures for 1943. The total figures for these 185 carriers amounted to the following for the 1944: Operating revenues, \$40,015,116; operation and maintenance expenses, \$30,888,747; other expenses, \$7,185,226; total expenses, \$38,073,973; net operating revenue, \$1,941,143; net income before income taxes, \$3,624,227; and net income after income taxes, \$2,115,546.

TABLE G.—Revenues, expenses, and income of class I motor carriers ¹ of Passengers for the calendar year 1944 compared with those of the same carriers for 1943

Item	Total carriers reported	
	1944	1943
<i>Intercity carriers</i>		
Number of carriers represented	211	211
Operating revenues:		
Passenger revenue—Intercity schedules.....	\$383, 605, 192	\$363, 007, 711
Passenger revenue—Local and suburban schedules.....	19, 657, 737	17, 401, 748
Passenger revenue—Charter or special service	6, 105, 961	5, 872, 938
Other operating revenue.....	9, 211, 869	8, 433, 791
Total operating revenues.....	418, 580, 759	394, 716, 188
Operating expenses:		
Equipment maintenance and garage expense.....	59, 550, 260	48, 823, 804
Transportation expense.....	84, 970, 473	76, 862, 294
Station expense.....	33, 591, 666	30, 206, 619
Traffic, solicitation, and advertising expense.....	7, 969, 955	7, 421, 721
Insurance and safety expense.....	12, 628, 565	11, 635, 240
Administrative and general expense.....	21, 604, 048	19, 683, 249
Total operation and maintenance expenses.....	220, 314, 967	194, 632, 927
Depreciation expense.....	17, 827, 958	18, 673, 970
Amortization chargeable to operation.....	117, 120	105, 103
Operating taxes and licenses.....	28, 877, 892	27, 132, 078
Operating rents—net.....	7, 636, 046	6, 642, 211
Total expenses.....	274, 773, 983	247, 186, 289
Operating ratio (percent).....	65. 6	62. 6
Net operating revenue.....	\$143, 806, 776	\$147, 529, 899
Other income.....	2, 006, 849	1, 480, 199
Other deductions.....	4, 678, 813	4, 100, 912
Net income before income taxes.....	141, 134, 812	144, 909, 186
Net income after income taxes.....	39, 385, 990	43, 393, 100
<i>Local carriers</i>		
Number of carriers represented	69	69
Total operating revenues.....	\$60, 555, 664	\$58, 534, 317
Total expenses.....	\$46, 682, 801	\$43, 186, 022
Operating ratio (percent).....	77. 1	73. 8
Net operating revenue.....	\$13, 872, 863	\$15, 348, 295
Other income.....	\$5, 467, 891	\$4, 930, 535
Other deductions.....	\$2, 674, 371	\$3, 402, 185
Net income before income taxes.....	\$16, 666, 383	\$16, 876, 645
Net income after income taxes.....	\$5, 634, 209	\$5, 714, 588

¹ Class I motor carriers are those having annual gross operating revenues of \$100,000 or over.

TABLE H.—*Revenues, expenses, and statistics of freight forwarders for the years 1944 and 1943*¹

Item	Total carriers reported	
	1944	1943
Number of forwarders represented.....	51	51
Operating revenues:		
Transportation revenue.....	\$180, 243, 340	\$189, 082, 262
Transportation purchased—dr.:		
Railroad transportation.....	99, 349, 883	105, 250, 750
Motor transportation.....	21, 603, 531	23, 245, 773
Water transportation.....	173, 803	535, 013
Pick-up, delivery, and transfer service.....	20, 311, 980	20, 281, 855
Other transportation purchased.....	1, 095, 415	1, 247, 710
Total transportation purchased.....	142, 534, 612	150, 570, 101
Forwarder revenue from transportation.....	37, 708, 728	38, 512, 161
Incidental revenues.....	664, 225	772, 457
Total operating revenues.....	38, 372, 953	39, 284, 618
Operating expenses:		
Salaries, wages, and expenses of employees.....	24, 020, 049	23, 285, 093
Paid to others for services rendered.....	6, 045, 031	5, 615, 033
Operating rents.....	1, 216, 336	1, 131, 217
Communications and postage.....	1, 589, 634	1, 508, 440
Pay-roll taxes.....	994, 377	1, 003, 373
All other operating expenses.....	3, 993, 934	3, 607, 331
Total operating expenses.....	37, 859, 361	36, 150, 487
Income items:		
Revenue from forwarder operations.....	513, 592	3, 134, 131
Transportation tax accruals.....	163, 587	179, 062
Revenue, less taxes, from forwarder operations.....	350, 005	2, 955, 069
Other income.....	20, 740	100, 897
Total income.....	370, 745	3, 055, 966
Miscellaneous deductions from income.....	124, 131	426, 923
Net income before fixed charges and income taxes.....	246, 614	2, 629, 043
Fixed charges:		
Interest on long-term debt.....	3, 267	1, 276
Other fixed charges.....	52, 730	21, 521
Total fixed charges.....	55, 997	22, 797
Net income before provisions for income taxes.....	190, 617	2, 606, 246
Provisions for income taxes.....	439, 045	1, 307, 427
Net income.....	² 248, 428	1, 298, 819
Statistics:		
Tons of freight received from shippers.....	4, 719, 827	5, 086, 758
Number of shipments received from shippers.....	18, 630, 002	21, 217, 944

¹ Confined to forwarders having gross revenues of \$100,000 or more per annum.² Deficit.

TABLE I.—*Selected statistics of private car owners,¹ year 1944*

Item	Refrigerator cars	Tank cars		Other cars ²	Total
		Petroleum	Other		
Cars owned at close of year.....	117, 108	125, 241	10, 647	13, 867	266, 863
Serviceable cars.....	112, 668	122, 667	10, 282	13, 625	259, 242
Unserviceable cars.....	4, 440	2, 574	365	242	7, 621
Miles made by owned cars (thousands):					
Loaded.....	2, 368, 645	2, 784, 909	80, 119	54, 180	5, 287, 853
Empty.....	1, 328, 105	2, 722, 871	79, 633	54, 199	4, 184, 808
Not separable.....	183, 189	184, 727	25, 040	86, 704	479, 660
Total.....	3, 879, 939	5, 692, 507	184, 792	195, 083	9, 952, 321
Revenue receivable, on—(thousands):					
Car mileage basis.....	\$76, 916	\$72, 597	\$2, 826	\$2, 533	\$154, 872
Car rental basis.....	330	1, 469	221	1, 430	3, 450
Other car service basis.....	416	1	188	5	610
Total.....	77, 662	74, 067	3, 235	3, 968	158, 932

¹ Confined to owners of 10 or more cars. Compiled from reports of 267 owners.² Includes such cars as stock, gondola, hopper, air dump, box, cradle, flat, vat, et cetera.TABLE J.—*Selected financial and operating data of oil pipe-line companies, 1944, 1943, and 1942*

Item	1944	1943	1942
Miles of line operated:			
Gathering lines.....	43, 276	42, 471	42, 318
Trunk lines.....	68, 339	66, 312	64, 167
Investment in carrier property.....	\$1, 000, 741, 256	\$965, 464, 043	\$918, 847, 714
Capital stock ¹	\$243, 377, 123	\$250, 012, 261	\$255, 134, 541
Funded debt unmatuured ¹	\$39, 250, 628	\$47, 053, 923	\$46, 092, 464
Accrued depreciation—carrier property.....	\$549, 229, 607	\$514, 864, 787	\$484, 558, 183
Operating revenues.....	\$310, 194, 453	\$276, 652, 251	\$245, 061, 060
Operating expenses.....	\$172, 367, 510	\$148, 447, 937	\$123, 506, 969
Pipe-line taxes:			
U. S. Government taxes.....	\$60, 794, 752	\$56, 402, 365	\$53, 475, 632
Other than U. S. Government taxes.....	\$9, 192, 475	\$9, 181, 772	\$9, 746, 241
Pipe-line operating income.....	\$67, 839, 716	\$62, 620, 177	\$58, 332, 218
Net income.....	\$65, 715, 492	\$61, 302, 265	\$56, 845, 245
Dividend appropriations ¹	\$22, 018, 752	\$24, 451, 706	\$20, 780, 234
Number of barrels of oil received into system.....	2, 398, 086, 795	2, 080, 328, 022	1, 770, 869, 741
Number of barrel-miles (trunk lines):			
Crude oil (thousands).....	437, 679, 901	393, 029, 547	346, 051, 162
Refined oils (thousands).....	70, 916, 543	60, 896, 435	58, 422, 658
Total employees:			
Average number.....	23, 497	23, 442	23, 156
Compensation.....	\$73, 563, 475	\$64, 661, 570	\$54, 448, 558

¹ Excludes data for 16 companies in 1944, 17 companies in 1943, and 15 companies in 1942, as the annual reports filed by these companies relate to pipe-line departments of large oil companies or which are agencies of the Defense Supplies Corporation, and these items are not segregated for the pipe-line departments.

TABLE K.—*Revenue and traffic of carriers by water, 1944 and 1943*¹

Item	1944	1943
Freight revenue.....	\$72, 147, 061	\$57, 812, 480
Number of tons of revenue freight carried.....	57, 231, 234	47, 845, 687
Passenger revenue.....	\$12, 963, 871	\$11, 679, 294
Number of revenue passengers carried.....	14, 127, 980	12, 052, 882

¹ Compiled from quarterly reports of 97 carriers of classes A and B.TABLE L.—*Selected financial and operating data of electric railways, 1944, 1943, and 1942*

Item	1944	1943	1942
Miles of road operated.....	3, 121	3, 234	3, 309
Investment in road and equipment.....	\$291, 233, 628	\$303, 216, 334	\$309, 652, 202
Capital stock.....	\$119, 957, 582	\$126, 209, 960	\$133, 556, 021
Unmatured funded debt.....	\$70, 541, 738	\$76, 301, 835	\$77, 420, 210
Accrued depreciation—road and equipment.....	\$42, 817, 570	\$43, 829, 155	\$43, 004, 676
Railway operating revenues:			
Freight revenue.....	\$36, 488, 854	\$35, 188, 327	\$31, 691, 969
Passenger revenue.....	\$46, 766, 936	\$42, 345, 935	\$28, 893, 758
All other revenues.....	\$7, 847, 702	\$7, 928, 092	\$7, 037, 329
Total railway operating revenues.....	\$91, 103, 492	\$85, 462, 354	\$67, 623, 056
Total railway operating expenses.....	\$69, 823, 012	\$61, 668, 969	\$48, 651, 270
Taxes assignable to railway operations:			
Other than U. S. Government taxes.....	\$2, 656, 396	\$2, 314, 421	\$2, 027, 537
U. S. Government taxes.....	\$8, 197, 111	\$5, 782, 087	\$5, 856, 436
Operating income.....	\$10, 575, 276	\$15, 868, 515	\$11, 264, 091
Net income.....	\$4, 326, 481	\$3, 092, 929	\$4, 574, 076
Dividends declared.....	\$2, 088, 103	\$2, 543, 090	\$1, 870, 394
Employees:			
Average number.....	16, 646	16, 381	14, 614
Compensation.....	\$40, 042, 967	\$35, 226, 620	\$27, 613, 630

APPENDIX D

AUTHORIZATIONS UNDER VARIOUS SECTIONS OF THE INTERSTATE COMMERCE AND TRANSPORTATION ACTS, AND LOANS UNDER THE RECONSTRUCTION FINANCE CORPORATION ACT

*Certificates of convenience and necessity for construction of lines of railroad under
section 1 (18) of the Interstate Commerce Act, as amended*

Name of applicant	Location of line	Miles
Atchison, T. & S. F. Ry. Co.	Los Angeles County, Calif.	2.020
Carolina, C. & O. Ry., Atlantic Coast Line R. Co., and Louisville & N. R. Co.	Dickenson County, Va.	14.500
Chesapeake & O. Ry. Co.	Fayette and Raleigh Counties, W. Va.	5.000
Do.	Letcher County, Ky., and Wise County, Va.	14.000
Chicago, M., St. P. & P. R. Co. trustees and Great Northern Ry. Co.	Spokane County, Wash. and Kootenai County, Idaho.	.980
Chicago, R. I. & P. Ry. Co. trustees.	Davis and Appanoose Counties, Iowa.	18.000
Do.	Davis County, Iowa.	16.190
Florida East Coast Ry. Co. trustees.	Martin and Saint Lucie Counties, Fla.	29.500
Louisville & N. R. Co.	Muhlenberg County, Ky.	2.100
Do.	Harlan County, Ky.	9.000
Missouri Pac. R. Co. trustee.	Williamson and Franklin Counties, Ill.	4.930
Do.	Vernon County, Mo.	.565
Nicholas, F. & G. R. Co.	Greenbrier and Nicholas Counties, W. Va.	4.760
Northern Pac. Ry. Co.	Morton County, N. Dak.	16.500
Total number of miles.		138.045

	<i>Miles</i>
16 applications filed involving	101.225
14 certificates issued authorizing construction of	138.045
2 applications denied in whole or in part	12.900
2 applications dismissed involving	2.180
Authorized since effective date of act	10,413
Portion thereof actually constructed	7,388
Portion thereof deferred or abandoned	2,877
Portion in which time for construction has not expired	148

*Certificates of convenience and necessity for abandonment of lines of railroad or the
operation thereof, issued under section 1 (18) of the Interstate Commerce Act, as
amended*

Name of applicant	Location of line	Miles
Atlantic Coast Line R. Co.	Alachua County, Fla.	3.400
California Central R. Co.	Santa Cruz and San Benito Counties, Calif.	7.940
Chesapeake & O. Ry. Co.	Raleigh County, W. Va.	.980
Chicago & N. W. Ry. Co.	Gogebic and Ontonagon Counties, Mich.	7.006
Chicago, B. & Q. R. Co.	Ringgold County, Iowa and Worth County, Mo.	21.800
Do.	Jefferson County, Nebr.	16.260
Chicago, M., St. P. & P. R. Co. trustees.	Kootenai County, Idaho.	5.000
Do.	Chippewa County, Minn.	8.220
Chicago, R. I. & P. Ry. Co. trustees.	Davis and Appanoose Counties, Iowa.	22.000
Do.	Davis County, Iowa.	17.620
Chicago, St. L. & N. O. R. Co. and Illinois Central R. Co.	Livingston and Marshall Counties, Ky.	5.470
Delta Valley & S. Ry. Co.	Mississippi and Poinsett Counties, Ark.	5.400
Florida East Coast Ry. Co. trustees.	Volusia, Seminole, Orange, Osceola, Indian River, Okeechobee, and Martin Counties, Fla.	136.100

Certificates of convenience and necessity for abandonment of lines of railroad or the operation thereof, issued under section 1 (18) of the Interstate Commerce Act, as amended—Continued

Name of applicant	Location of line	Miles
Great Northern Ry. Co.....	Des Chutes County, Oreg.....	15. 410
Do.....	Cascade County, Mont.....	38. 220
Do.....	Spokane County, Wash. and Kootenai County, Idaho.....	6. 850
Hartwell Ry. Co.....	Hart County, Ga.....	10. 400
Indiana Service Corp.....	De Kalb and Allen Counties, Ind.....	18. 000
Kane & E. R. Co.....	McKean and Elk Counties, Pa.....	3. 000
Kansas City S. Ry. Co.....	Sebastian County, Ark.....	15. 110
Lawndale Ry. & I. Co.....	Cleveland County, N. C.....	11. 050
Lehigh Valley R. Co. of N. J. and Lehigh Valley R. Co.....	Middlesex County, N. J.....	. 670
Louisville & N. R. Co.....	Bell County, Ky.....	1. 000
Michigan Central R. Co. and New York Central R. Co.....	Lucas County, Ohio.....	. 957
Mine Hill & S. H. R. Co. and Reading Co.....	Columbia and Schuylkill Counties, Pa.....	. 769
Do.....	Schuylkill County, Pa.....	. 287
Missouri Pac. R. Co. trustee.....	Miller County, Mo.....	1. 660
Northern Pac. Ry. Co.....	Morton County, N. Dak.....	25. 800
Ohio, P. S. Co.....	Ottawa County, Ohio.....	34. 520
Oklahoma City Junction Ry. Co.....	Oklahoma City, Okla.....	(¹)
Pacific Coast R. Co.....	King County, Wash.....	8. 700
Pacific Electric Ry. Co.....	Orange County, Calif.....	. 460
Pennsylvania R. Co.....	Clearfield County, Pa.....	3. 010
Potomac Edison Co.....	Frederick County, Md.....	4. 900
Reading Co.....	Schuylkill County, Pa.....	15. 175
Do.....	Lebanon and Dauphin Counties, Pa.....	28. 184
Do.....	Cumberland County, Pa.....	. 284
Do.....	Schuylkill County, Pa.....	3. 480
Red River & Gulf R.....	Rapides and Vernon Parishes, La.....	48. 718
St. Clairsville & N. Ry. trustees and Baltimore & O. R. Co.....	Belmont County, Ohio.....	3. 420
Sabine & N. V. Ry. Co.....	Jasper and Newton Counties, Tex.....	13. 300
Seaboard Air Line Ry. Co. and receivers.....	Citrus County, Fla.....	2. 090
Do.....	Calhoun County, Ala.....	3. 260
Do.....	Darlington and Florence Counties, S. C.....	17. 100
Do.....	Polk County, Fla.....	1. 300
Somerset Coal Ry. Co. and Western Maryland Ry. Co.....	Somerset County, Pa.....	. 930
Springfield & S. W. R. Co.....	Sangamon County, Ill.....	7. 700
Texas & N. O. R. Co.....	St. Landry Parish, La.....	6. 140
Do.....	Lafayette Parish, La.....	8. 740
Texas & Pac. Ry. Co.....	St. Landry and Avoyelles Parishes, La.....	11. 000
Tuckaseegee & S. E. Ry. Co.....	Jackson County, N. C.....	12. 179
Virginian Ry. Co.....	Raleigh County, W. Va.....	. 980
Wabash R. Co.....	Steuben and Lagrange Counties, Ind.....	4. 830
Wisconsin Central Ry. Co., trustees and Minneapolis, St. P. & S. S. M. R. Co.....	Portage, Waushara, Marquette, and Columbia Counties, Wis.....	76. 906
Yosemite Valley Ry. Co. and trustee.....	Merced and Mariposa Counties, Calif.....	77. 700
Total number of miles.....		801. 079

¹ Livestock loading and unloading facilities.

	Miles
45 applications filed involving.....	674. 401
55 certificates issued permitting abandonment of.....	801. 079
4 applications denied in whole or in part.....	123. 610
7 applications dismissed in whole or in part involving.....	227. 040
Abandonments permitted since effective date of act.....	31, 447

150 REPORT OF THE INTERSTATE COMMERCE COMMISSION

Certificates of convenience and necessity for acquisition and/or operation of lines of railroads issued under section 1 (18) of the Interstate Commerce Act, as amended

Name of applicant	Location of line	Miles
Bevier & Southern R. Co.....	Macon and Randolph Counties, Mo.....	6.118
Chesapeake & O. Ry. Co.....	Warwick and Norfolk Counties, Va.....	1 6.000
Chicago, St. L. & N. O. R. Co. and Illinois Central R. Co.....	Livingston and Marshall Counties, Ky.....	5.430
Franklin & C. R.....	Isle of Wight and Nansemond Counties, Va.....	19.685
Louisville & N. R. Co.....	Harlan County, Ky.....	2.000
Wheeling & L. E. Ry. Co.....	Jefferson County, Ohio and Brooke County, W. Va.....	1.970
Total number of miles.....		41.203

¹ Car floats Hampton Roads, Va.

	Miles
7 applications filed involving.....	75.650
6 certificates issued involving.....	41.203
1 application denied.....	2.000
1 application dismissed.....	9.445

Authorizations under section 5 (2) of the Interstate Commerce Act, as amended, involving railroad properties

Acquiring carrier	Owning carrier	Miles	How acquired
Alleghany Corp. ¹	Chesapeake & O. Ry. Co., New York, C. & St. L. R. Co., and Pere Marquette Ry. Co., and affiliated railroad corporations.		Ownership of stock.
Arizona Eastern R. Co.....	Southern Pac. Co.....	89.229	Purchase.
Atchison, T. & S. F. Ry. Co.....	Southern Pac. R. Co., and Pacific Electric Ry. Co.....	6.250	Trackage rights.
Atchison T. & S. F. Ry. Co. and Chicago, R. I. & P. Ry. Co.....	Oklahoma City Jr. Ry. Co.....	1.700	Ownership of stock and lease.
Baltimore & O. R. Co.....	Toledo & C. R. Co., Hamilton B. Ry. Co., and Lima B. Ry. Co.....	238.880	Purchase.
Do.....	Monongahela W. P. P. S. Co.....	1.797	Do
Barre & C. R. Co. and A. F. Sortwell. ²	Montpelier & W. R. R.....	40.830	Purchase and control.
Boston & M. R.....	Concord & P. R.....	39.740	Purchase.
Do.....	Concord & Claremont N. H. R. Co.....	66.80	Do.
Do.....	Peterborough & Hillsborough R.....	12.74	Do.
Do.....	Northern Railroad.....	69.53	Modification of lease.
Central Pac. Ry. Co.....	Nevada-California-Oregon Ry.....	154.470	Purchase.
Chesapeake & O. Ry. Co.....	Norfolk T. & T. Co.....	3.060	Do.
Do.....	Levisa R. R. Co.....	19.900	Do.
Chicago & E. I. R. Co.....	Southern Illinois & M. B. Co.....	9.450	Trackage rights.
Chicago, B. & Q. R. Co.....	Northern Pac. Ry. Co.....	17.750	Do.
Do.....	do.....	32.880	Do.
Chicago, M. St. P. & P. Ry. Co. trustees.	Great Northern Ry. Co.....	5.720	Do.
Chicago, R. I. & G. Ry. Co. and Chicago, R. I. & P. Ry. Co. trustees and Fort Worth & D. C. Ry. Co.....	Burlington-Rock Island R. Co.....	158.010	Lease.
City Lines of W. Va., Inc.....	Baltimore & O. R. Co.....	1.797	Do.
Columbia & M. R. Co.....	Gulf, M. & O. R. Co.....	7.610	Purchase.
Delaware & H. R. Corp.....	Albany & S. R. Co.....	141.520	Merger, modified lease and assignment of lease.
Delaware, L. & W. R. Co.....	Utica, C. & S. V. Ry. Co.....	97.390	Merger.
Do.....	Morris & E. R. Co.....	125.260	Do.
Do.....	Oswego & S. R. Co.....	34.980	Do.
Erie & M. Ry. & N. Co.....	Detroit & M. Ry. Co.....	8.360	Modified operating agreement.
Fox, R. S. ²	Port Townsend S. R. Co.....	12.000	Purchase.
Great Northern Ry. Co.....	Chicago, M. St. P. & P. Ry. Co. trustees.	6.240	Trackage rights.
Do.....	Northern Pac. Ry. Co. and Chicago, B. & Q. R. Co.....	17.750	Do.
Do.....	Northern Pac. Ry. Co.....	10.700	Do.
Gulf, M. & O. R. Co.....	Alton R. Co.....	654.000	Purchase.
Do.....	Louisiana & M. R. R. Co.....	152.000	Stock ownership and lease.
Do.....	Kansas City, St. L. & C. R. Co.....	157.000	Stock ownership.
Do.....	Joliet & C. R. Co.....	33.000	Do.
Do.....	Joliet Union D. Co., Terminal R. A. of St. L., and Kansas City T. Ry. Co.....		Joint control through ownership of stock.

Authorizations under section 5 (2) of the Interstate Commerce Act, as amended, involving railroad properties—Continued

Acquiring carrier	Owning carrier	Miles	How acquired
Gulf, M. & O. R. Co.----- Do.-----	Joliet Union D. Co.----- Elgin, J. & E. R. Co., Chicago Union S. Co., Terminal R. A. of St. L., Cleveland, C., C. & St. L. Ry. Co., Kansas City T. R. Co., Chicago, B. & Q. R. Co., Atchi- son, T. & S. F. Ry. Co., Balti- more & O. C. T. R. Co., and Peoria & P. U. R. Co.	108.550	Joint use. Trackage rights.
Kansas City S. Ry. Co.----- Louisiana & A. Ry. Co.-----	St. Louis-S. F. Ry. Co. trustees----- Missouri Pac. R. Co. trustees-----	28.740 23.020	Do. Modified lease and track- age rights.
Minneapolis & St. L. Ry. Co.----- Missouri-Illinois R. Co.----- Missouri-Kansas-Texas R. Co. of Tex.----- Do.-----	Minneapolis & St. L. R. Corp.----- Mississippi R. & B. T. Ry.----- San Antonio B. & T. Co.----- Texas Central R. Co., Wichita Falls Ry. Co., Wichita Falls & N. W. Ry. Co. of Tex., and Wichita Falls & W. Ry. Co. of Tex.	499.570 45.690 318.100	Merger. Purchase. Modified operating agreement. Modified leases.
Moore Central R. Co.----- New York Central R. Co.----- New York, O. & W. Ry. Co. trustee.----- Do.-----	Moore Central Ry. Co.----- Cleveland Union Stock Yards Co.----- New York, N. H. & H. R. Co.----- Rome & C. R. Co.-----	11.000 (3) 2.430 12.760	Purchase. Lease. Trackage rights. Purchase.
Northern Pac. Ry. Co.----- Oklahoma City-Ada-Atoka Ry. Co.----- Rahway Valley Co. lessee----- St. Louis S. W. Ry. Co. of Tex. trustee.----- Salzberg, Harry E. et al ¹ -----	Great Northern Ry. Co.----- Missouri-Kansas-Texas R. Co.----- Rahway Valley Line.----- Dallas Term. Ry. & Union D. Co.----- Jamestown, W. & N. W. R. Co., Unadilla Valley Ry. Co. and Southern N. Y. Ry., Inc.	5.700 13.560 3.800 (4) 82.090	Trackage rights. Lease. Extension of lease. Extension of operating agreement. Ownership of stock.
Sioux City, Term. Ry. Co.----- Southern Pac. Co.----- Southern Pac. R. Co.----- Southern Ry. Co.----- Do.-----	Sioux Falls Stock Yards Co.----- South San Francisco Belt Ry.----- Central Pac. Ry. Co.----- Southern Ry. Co. in Ky., Southern Ry. Co. of Ind., and Cumberland Ry. Co.	(3) 5.560 241.484 351.000 152.800	Lease. Purchase. Do. Do. Extension of trackage agreement.
Spokane, P. & S. Ry. Co.----- Stockyards Ry. Co.----- Do.-----	United Rys. Co.----- St. Paul Union Stockyards Co. (Billings, Mont.).----- Union Stockyards Co. of Fargo, N. Dak.	50.160 (3) (3)	Merger. Lease. Do.
Virginian Ry. Co.----- Washington & O. D. R.----- Wisconsin Central Ry. Co. trustees.----- Youngstown & S. Ry. Co.-----	Chesapeake & O. Ry. Co.----- Southern Ry. Co.----- Belt Ry. Co. of Chicago.----- Pittsburgh, L. & W. R. Co.-----	5.000 46.440 22.370	Trackage rights. Purchase. Stock ownership and joint use. Merger.

¹ Holding company.

² Individual.

³ Livestock loading and unloading facilities.

⁴ Involves depot facilities at Dallas, Tex.

63 applications filed.

62 authorizations granted.

4 applications dismissed in whole or in part.

Authorizations issued under section 5 (2) of the Interstate Commerce Act, as amended, involving water carriers

Acquiring carrier	Owning carrier	Service	How acquired
Knappton Towboat Co.----- Shaver Forwarding Co. Youell, Inc. ¹ and Peerless, Inc. ¹ ----- B. B. Willis ² -----	Jones T. Co.----- Tidewater T. Co.----- Robert E. Lee.-----	Columbia River----- do----- Potomac River-----	Purchase. Do. Ownership of stock.

¹ Holding company.

² An individual.

3 applications filed.

3 authorizations granted.

Authorization of the issuance of securities and the assumption of obligations and liabilities in respect of the securities of others under section 20a of the Interstate Commerce Act, as amended

Stock, common:

For acquisition of property including equipment.....	{	\$1, 035, 300. 00
		¹ 328, 787. 5
For exchange for common stock.....	{	117, 843, 298. 00
		¹ 12, 000. 00
For exchange for bonds.....		2, 791, 400. 00
For general corporate purposes (not segregated).....		25, 300. 00
For redemption of preferred stock.....		¹ 12, 000. 00
For sale to meet unfunded debt.....		¹ 500. 0
Total.....	{	121, 695, 298. 00
		¹ 353, 287. 5

Stock, preferred:

For exchange for preferred stock.....		6, 378, 400. 00
For sale to redeem preferred stock.....		80, 300. 00
Total.....		6, 458, 700. 00
Total stock.....	{	128, 153, 998. 00
		¹ 353, 287. 5

Bonds, collateral-trust:

For acquisition of property other than equipment.....		14, 934, 950. 00
For financial adjustment.....		84, 563, 276. 00
For sale to meet unmatured funded debt.....		64, 500, 000. 00
Total.....		163, 998, 226. 00

Bonds, income-mortgage:

For acquisition of property other than equipment.....		22, 675, 000. 00
---	--	------------------

Bonds, mortgage:

For acquisition of property other than equipment.....		11, 792, 100. 00
For exchange for bonds.....		1, 230, 000. 00
For exchange for unmatured funded debt.....		50, 000, 000. 00
For extension of matured funded debt.....		6, 463, 000. 00
For financial adjustment.....		552, 692, 100. 00
For pledge.....		148, 773, 400. 00
For redemption of preferred stock.....		120, 000. 00
For retention in treasury subject to further order.....		38, 845, 000. 00
For sale to meet matured funded debt.....		11, 008, 026. 82
For sale to meet unfunded debt.....		400, 000. 00
For sale to meet unmatured funded debt.....		1, 243, 661, 000. 00
Assumption of obligation and liability in respect of \$400,639,500.		
Total.....		2, 064, 984, 626. 82

Total bonds..... 2, 251, 657, 852. 82

Notes, secured:

For acquisition of equipment.....		2, 001, 917. 84
For acquisition of property including equipment.....		345, 000. 00
For acquisition of property other than equipment.....		1, 060, 000. 00
For extension of matured funded debt.....		390, 000. 00
For extension of unmatured funded debt.....		300, 000. 00
For general corporate purposes (not segregated).....		28, 000. 00
Total.....		4, 124, 917. 84

¹ Shares of stock without par or nominal value.

Authorization of the issuance of securities, etc.—Continued

Notes, unsecured:	
For acquisition of equipment.....	\$27, 185, 032. 82
For acquisition of property other than equipment.....	500, 000. 00
For acquisition of securities of other companies.....	6, 978, 500. 00
For general corporate purposes (not segregated).....	100, 000. 00
For payment of advances.....	4, 500, 000. 00
For refunding purposes.....	7, 982, 124. 74
Assumption of obligation and liability in respect of \$4,924,648.80.	
Total.....	47, 245, 657. 56
Total notes.....	51, 370, 575. 40
Equipment obligations:	
Assumed by carriers.....	79, 772, 000. 00
Assumption of obligation and liability in respect of \$3,308,000.	
Certificates of deposit:	
For acquisition of property other than equipment.....	3, 703, 900. 00
For exchange for common stock.....	16, 044, 650. 00
Total.....	19, 748, 550. 00
Certificates, receivers:	
For general purposes (not segregated).....	60, 000. 00
Notes, trustees:	
For acquisition of equipment.....	20, 394, 281. 80
Grand total securities.....	{ 2, 551, 157, 258. 02 1 353, 287. 5
¹ Shares of stock without par or nominal value.	
147 applications filed.	
146 applications approved.	

Status of outstanding loans under section 210 of the Transportation Act, 1920, as amended

PRINCIPAL AND INTEREST IN DEFAULT ON OCTOBER 1, 1945

Carrier	Principal	Interest
Alabama, T. & N. R. Corp.....	¹ \$124, 965. 00	
Des Moines & C. I. R.....	633, 500. 00	\$634, 671. 34
Fort Dodge, D. M. & S. R. Co.....	¹ 260, 000. 00	
Georgia & F. Ry. Co., receiver.....	792, 000. 00	736, 560. 00
Minneapolis & St. L. R. Co.....	¹ 20, 962. 00	
Seaboard Air Line Ry. Co.....	14, 438, 827. 01	10, 293, 438. 13
Seaboard B.-L. Co.....	347, 550. 22	
Waterloo, C. F. & N. Ry. Co.....	1, 260, 000. 00	1, 724, 055. 71
Total.....	23, 690, 977. 23	12, 863, 827. 84

¹ Represents securities received in reorganization proceedings.

Certificates issued in settlement under section 204, of the Transportation Act, 1920, as amended January 7, 1941

Carrier	Amount
Tremont & Gulf Ry. Co.....	\$21, 296. 92

Claims pending under section 204 of the Transportation Act, 1920, as amended January 7, 1941

Arcata & Mad River R. R. Co.
Rock Island Southern Ry. Co.

APPENDIX E

RAILROAD COMPANIES IN REORGANIZATION (OR RECEIVERSHIP) PROCEEDINGS

	<i>Mileage operated 1944</i>
Proceedings under Section 77 (Chapter VII):	
Akron, Canton & Youngstown Railway Company ¹ -----	171
Alabama, Tennessee & Northern Railroad Corporation ¹ -----	218
Alton Railroad Company-----	959
Boston & Providence Railroad Corporation ² -----	-----
Boston Terminal Company ³ -----	-----
Central of Georgia Railway Company-----	1, 816
Central Railroad Company of New Jersey-----	655
Chicago & North Western Railway Company ¹ -----	8, 101
Chicago, Indianapolis & Louisville Railway Company-----	541
Chicago, Milwaukee, St. Paul and Pacific Railroad Company-----	10, 742
Chicago, Rock Island and Pacific Railway Company-----	7, 751
Denver & Rio Grande Western Railroad Company-----	2, 398
Duluth, South Shore and Atlantic Railway Company-----	577
Florida East Coast Railway Company-----	682
Fonda, Johnstown & Gloversville Railroad Company ¹ -----	20
Georgia, Florida & Alabama Railroad Company ^{4 5} -----	-----
Hoboken Manufacturers' Railroad Company-----	9
Meridian and Bigbee River Railway Company-----	50
Middletown & Unionville Railroad Company-----	14
Minneapolis, St. Paul & Sault Ste. Marie Railway Company ¹ -----	4, 277
Missouri Pacific Railroad Company-----	10, 160
New Jersey & New York Railroad Company-----	39
New York, New Haven & Hartford Railroad Company-----	1, 838
New York, Ontario & Western Railway Company-----	545
New York, Susquehanna & Western Railroad Company-----	120
Rutland Railroad Company ⁴ -----	407
St. Louis-San Francisco Railway Company-----	4, 666
St. Louis Southwestern Railway Company-----	1, 607
Tampa Northern Railroad Company-----	8
Western Pacific Railroad Company-----	1, 195
Yosemite Valley Railway Company-----	79
Wisconsin Central Railway Company ^{4 6} -----	-----
Receivership proceedings (steam railroads):	
California and Oregon Coast Railroad Company-----	14
Catonsville Short Line Rail Road Company ⁷ -----	-----
East and West Coast Railway ⁸ -----	-----
Florida Western & Northern Railroad Company ⁹ -----	-----
Georgia & Florida Railroad-----	408
Georgia, Florida & Alabama Railroad Company ¹⁰ -----	-----
Murfreesboro-Nashville Railway Company-----	15
Pittsburg, Shawmut and Northern Railroad Company-----	191
Rio Grande Southern Railroad Company ¹¹ -----	172
Rutland Railroad Company ¹⁰ -----	-----
Seaboard Air Line Railway Company (system)-----	4, 178
Seaboard-All Florida Railway ¹² -----	-----
Tallulah Falls Railway Company-----	57
Virginia & Truckee Railway-----	46
Waco, Beaumont, Trinity & Sabine Railway Company-----	41
Wisconsin Central Railway Company ¹⁰ -----	-----
Yreka Western Railroad Company-----	8
Receivership proceedings (electric railroads):	
Bellaire-Southwestern Traction Company ¹³ -----	-----
Chicago, Aurora & Elgin Railroad Company-----	112

See footnotes on page 155.

Mileage
operated
1944

The following receivership proceedings have been terminated since the last report:

Chicago, Attica & Southern Railroad Company ¹⁴	-----
Chicago, North Shore & Milwaukee Railroad Company	-----
Chicago, Springfield & St. Louis Railway Company	-----
Minneapolis & St. Louis Railroad Company	-----
New York & Greenwood Lake Railway Company	-----
South Dayton Railway Company	-----
Waterloo, Cedar Falls & Northern Railway Company	-----

¹ Proceedings terminated since last report.

² Owned mileage 62. Leased to Old Colony Railroad Company; operated by New York, New Haven & Hartford Railroad Company.

³ Owned mileage 13.

⁴ Proceedings instituted since last report.

⁵ Owned mileage 133. Leased to Seaboard Air Line Railway Company.

⁶ Owned mileage 976. Operated by Minneapolis, St. Paul & Sault Ste. Marie Railway Company.

⁷ Owned mileage 4, operated under a tonnage agreement. Included in lease of Philadelphia, Baltimore & Washington Railroad Company to Pennsylvania Railroad Company.

⁸ Mileage owned consists of way switching track only. Leased to Seaboard-All Florida Railway.

⁹ Owned mileage 233. Leased to Seaboard-All Florida Railway.

¹⁰ Now in Chapter VIII trusteeship (Section 77 proceedings).

¹¹ Controlled by Denver and Rio Grande Western Railroad Company.

¹² Owned mileage 162. Leased to Seaboard Air Line Railway Company.

¹³ Owned mileage 2.13. Operated by Co-operative Transit Company.

¹⁴ Now in Chapter X trusteeship.

APPENDIX F

PREWAR AND WAR FACILITIES AND PERFORMANCE OF CARRIERS

TABLE 1.—Comparison of railway facilities, 1929, 1941, 1944, and June 30, 1945

Item	Dec. 31—			June 30, 1945	Percent increase (+) or decrease (—)		
	1929	1941	1944		Dec. 31, 1929, to Dec. 31, 1941	Dec. 31, 1941, to Dec. 31, 1944	Dec. 31, 1944, to June 30, 1945
Freight cars:							
Number owned:							
All railways.....	2,323,683	1,732,673	1,797,012	1,796,127	-25.4	+3.7	-.05
Privately owned.....	286,979	281,780	270,936	1,268,227	-1.8	-3.8	-1.0
Total.....	2,610,662	2,014,453	2,067,948	2,064,354	-22.8	+2.7	-.02
Aggregate capacity all freight cars, class I line-haul and privately owned (thousands of tons).....	2 116,967	97,487	3 101,814	4 102,221	-16.7	+4.4	+0.4
Passenger-train cars:							
Number, all classes except Pullman.....	53,838	38,334	38,217	38,486	-28.8	-0.3	+0.7
Aggregate seating capacity, class I and pullman.....	2,341,228	1,658,352	1,705,118	(5)	-29.2	+2.8	(5)
Locomotives:							
Number, all railways.....	61,257	44,375	46,305	(5)	-27.6	+4.3	6 +0.71
Aggregate tractive effort class I line-haul (thousands of pounds).....	2,582,374	2,147,543	7 2,318,883	7 2,336,508	-16.9	8 +7.8	+0.8
Miles of road (owned).....	249,433	231,971	227,335	(5)	-7.0	-2.0	(5)
Miles of all tracks (owned) 9.....	409,593	382,439	377,210	(5)	-6.6	-1.4	(5)
Investment (gross) per mile of owned line, all railways (excludes switching and terminal companies).....	\$104,806	\$111,352	\$117,771	(5)	+6.2	+5.8	(5)
Employees—number.....	1,752,462	1,209,826	1,498,627	1,454,185	-31.0	+23.9	-3.0

¹ Mar. 31.

² Includes private-line cars at 40.27 tons (1932 average).

³ Estimated for private car lines on the basis of 1943 relationships.

⁴ Estimated by applying percent increase in total capacity (A. A. R.), Dec. 31, 1944, to June 30, 1945, to aggregate capacity at end of 1944.

⁵ Not available.

⁶ Based on class I railroads, including switching and terminal companies.

⁷ Includes an estimate for class II and class III.

⁸ Based on A. A. R. figures for 1941 of 2,150,200,000.

⁹ Total tracks operated less trackage rights.

TABLE II.—Comparisons of railway performance, 1929, 1941, 1944, and first 6 months, 1945

Item	All railways (except as noted in stub)			Percent increase (+) or decrease (-)		Class I line-haul railways	
	1929	1941	1944	1929 to 1941	1941 to 1944	First 6 months 1945	Percent increase over (+) or decrease under (-) first 6 months 1944
<i>Freight service</i>							
Tons of revenue freight originated (thousands).....	1,419,383	1,295,860	1,564,780	-8.7	+20.8	1,477,377	-1.5
Revenue ton-miles (millions).....	450,189	477,576	740,586	+6.1	+55.1	364,928	-1.0
Average tons per car, class I roads ²	26.9	28.5	32.7	+6.1	+14.7	32.30	-1.8
Average tons per train (class I roads).....	804	915	1,138	+13.8	+24.4	1,146	+1.5
Average length of haul (miles) ³	317.17	368.54	473.28	+16.2	+28.4	(⁴)	+0.5
Revenue ton-miles per mile of road used in freight service, class I roads.....	1,862,958	2,056,715	3,240,739	+10.4	+57.6	1,603,540	-0.9
Operating revenues, freight proportion (Class I roads) (thousands).....	\$4,979,413	\$4,585,262	\$7,177,959	-7.9	+56.5	(⁴)	-----
Revenue per ton-mile (cents).....	1,088	.944	.957	-13.2	+1.4	.973	+4.1
Average ton-miles (revenue and nonrevenue) per car.....	187,962	256,041	380,363	+36.2	+48.6	-----	-----
<i>Passenger service</i>							
Passengers carried (thousands):							
Commutation (class I roads).....	457,617	232,456	317,918	-49.2	+36.8	164,344	+4.5
Other (class I roads).....	321,449	254,126	595,410	-20.9	+134.3	274,590	-3.7
Total (all roads).....	786,432	488,668	915,817	-37.9	+87.4	438,934	-0.8
Passenger-miles (millions):							
Commutation (class I roads).....	6,898	4,088	5,344	-40.7	+30.7	2,712	+3.7
Other (class I roads).....	24,180	25,272	90,231	+4.5	+257.0	40,590	-8.6
Total (all roads).....	31,165	29,406	95,663	-5.6	+225.3	43,302	-7.9
Average number of passengers per car ⁶	13	15	32	+15.4	+113.3	31	-3.1
Average number of passengers per train ⁷	55	73	200	+13.7	+174.0	185	-7.0
Average journey per passenger per road (miles):							
Commutation (class I roads).....	15.10	17.60	16.80	+16.6	-4.5	16.50	-0.6
Other (class I roads).....	75.20	99.40	151.50	+32.2	+52.4	147.80	-5.1
Total (all roads).....	39.63	60.18	104.46	+51.9	+73.6	98.70	-7.1
Passenger-miles per mile of road used in passenger service (class I roads).....	137,002	174,914	589,530	+27.7	+237.0	267,812	-7.7
Passenger revenue (thousands).....	\$875,929	\$515,851	\$1,793,322	-41.1	+247.6	\$819,078	-6.9
Revenue per passenger-mile (cents):							
Commutation (class I roads).....	1.105	1.010	1.070	-8.6	+5.9	1.080	+0.9
Other (class I roads).....	3.293	1.870	1.920	-43.2	+2.7	1.950	+1.6
Total (all roads).....	2.811	1.754	1.875	-37.6	+6.9	1.896	+1.1

¹ Total tons carried, including tons received from connections.² Net ton-miles (revenue and nonrevenue) per loaded car-mile.³ All railways as a system.⁴ Not available.⁵ Based on average haul per ton per road.⁶ Total passenger-miles divided by total passenger car-miles (class I railways).⁷ Total passenger-miles divided by total passenger-train miles (class I railways).

TABLE III.—Comparisons of performance of selected class I motor carriers of property, 1941-44¹

Item	1941	1942	1943	1944	Percent increase over (+) or decrease under (-) 1941		
					1942	1943	1944
Average load (tons): ²							
Common carriers.....	6.9	8.0	8.7	9.0	+15.9	+26.1	+30.4
Contract carriers.....	7.3	7.8	8.2	9.1	+6.9	+12.3	+24.7
Average haul per ton per carrier (miles):							
Common carriers.....	225.3	223.7	220.2	217.7	-7.7	-2.3	-3.4
Contract carriers.....	121.7	124.0	106.1	114.3	+1.9	-12.8	-6.1
Average miles per vehicle per annum:							
Owned vehicles:							
Common carriers.....	82,932	77,004	67,931	62,912	-7.1	-18.1	-24.1
Contract carriers.....	57,871	66,203	56,512	57,495	+14.4	-2.3	-6.1
Owned and leased vehicles:							
Common carriers.....	57,637	55,128	52,518	49,291	-4.4	-8.9	-14.5
Contract Carriers.....	40,480	46,249	42,879	46,398	+14.3	+5.9	+14.7
Average ton-miles per owned and leased vehicle per annum:							
Common carriers.....	399,244	439,844	454,941	444,621	+10.2	+14.0	+11.4
Contract carriers.....	294,242	360,003	349,658	421,127	+22.3	+18.8	+43.1
Freight-revenue per ton-mile (cents):							
Common carriers.....	3.68	3.71	3.77	3.96	+7.8	+2.4	+7.6
Contract carriers.....	2.85	2.92	3.02	2.90	+2.3	+6.0	+1.8

¹ This table is based on the reports of 214 intercity common carriers and 19 intercity contract carriers which reported ton-miles throughout the period 1941-44. The common carriers, with few exceptions, transported general commodities. For all class I intercity common carriers reporting ton-miles the percentage changes, 1943 compared with 1941, were: Average load, +21.2; average haul, -13.9; average miles per owned vehicle per annum, -15.4; average ton-miles per vehicle per annum, +1.3; and revenue per ton-mile, +1.5. Changes in accounting, effective in fourth quarter of 1942, affect comparisons of the last percentage slightly. Differences between these percentages and those shown above result generally from the addition of many smaller carriers to the group reporting ton-miles.

² Ton-miles divided by intercity vehicle-miles, including miles without load.

TABLE IV.—Comparisons of performance of selected class I intercity motor carriers of passengers, 1941-44¹

Item	1941	1942	1943	1944	Percent increase over (+) or decrease under (-) 1941		
					1942	1943	1944
Average number of passengers per bus ²	18.5	22.9	26.9	27.1	+23.8	+45.4	+46.5
Average journey per passenger per carrier (miles).....	68.1	62.7	62.3	61.9	-7.9	-8.5	-9.1
Average miles per owned and leased bus.....	64,955	75,050	74,065	89,866	+15.5	+14.0	+38.4
Passenger-miles per vehicle (thousands).....	1,203	1,719	1,993	2,433	+42.9	+65.7	+102.2
Passenger revenue per passenger-mile (cents).....	1.49	1.62	1.61	1.61	+8.7	+8.1	+8.1

¹ This table is based on the reports of 48 class I intercity carriers which reported passenger-miles throughout the period 1941-44 and reflects regular-route intercity operations. For all class I intercity carriers reporting passenger-miles the percentage changes, 1943 compared with 1941, were: Average number of passengers per bus, +26.3; average length of journey, -32.8; average miles per bus, -5.4; passenger-miles per bus, +22.9; average revenue per passenger-mile, +15.8. Differences between these percentages and those shown above result generally from the addition of many smaller carriers to the group reporting passenger-miles.

² Passenger-miles divided by bus-miles.

TABLE V.—*Selected statistics, water carriers operating on Great Lakes and Mississippi River and its tributaries, 1942-44*

	Great Lakes			Mississippi River and tributaries		
	Percent increase over (+) or decrease under (—) preceding year in—			Percent increase over (+) or decrease under (—) preceding year in—		
	1942	1943	1944	1942	1943	1944
Number of carrier reports used.....	19	14	16	27	30	27
Tons of revenue freight carried.....	—5.0	—11.8	+20.1	+2.2	—1.1	+25.9
Freight revenue.....	—18.0	—6.6	+29.9	—8.8	+9.3	+30.8
Passengers carried.....	+3.9	+53.8	+4.2	—12.2	—19.3	+51.8
Passenger revenue.....	+9.9	+65.4	+9.5	+20.7	+13.1	+27.0

APPENDIX G

STATEMENT OF APPROPRIATIONS AND OBLIGATIONS FOR THE FISCAL YEAR ENDED JUNE 30, 1945

An Act making appropriations for the Executive Office and sundry independent * * * Commissions * * * for the fiscal year ending June 30, 1945, and for other purposes, approved June 27, 1944:

For 11 Commissioners, secretary, and for all other authorized expenditures necessary in the execution of laws to regulate commerce, including one chief counsel, one director of finance, and one director of traffic at \$10,000 each per annum, traveling expenses, et cetera:

General	\$3, 119, 000
To enable the Interstate Commerce Commission to enforce compliance with section 20 and other sections of the Interstate Commerce Act as amended by the act approved June 29, 1906, the Transportation Act, 1920 (49 U. S. C. 20), and the Transportation Act of 1940, including the employment of necessary special accounting agents or examiners, traveling expenses, et cetera:	
Accounts	\$473, 000
Transferred to Valuation of property of carriers' "First Deficiency Appropriation Act, 1945," Approved April 25, 1945.....	15, 000
	458, 000

To enable the Interstate Commerce Commission to keep informed regarding, and to enforce compliance with acts to promote safety of employees and travelers upon railroads; the act requiring common carriers to make reports of accidents and authorizing investigations thereof; and to enable the Interstate Commerce Commission to investigate and test appliances intended to promote the safety of railway operation, as authorized by the joint resolution approved June 30, 1906 (45 U. S. C. 35), and the provision of the Sundry Civil Act approved May 27, 1908 (45 U. S. C. 36, 37), to investigate, test experimentally, and report on the use and need of any appliances or systems intended to promote the safety of railway operation, and for traveling expenses:

Safety of employees.....	604, 000
For all authorized expenditures under section 25 of the Interstate Commerce Act, as amended by the Transportation Act, 1920, the act of August 26, 1937 (49 U. S. C. 26), and the Transportation Act of 1940, with respect to the provision thereof under which carriers by railroad subject to the act may be required to install automatic train-stop or train-control devices which comply with specifications and requirements prescribed by the Commission, including investigations and tests pertaining to block-signal and train-control systems, as authorized by the joint resolution approved June 30, 1906 (45 U. S. C. 35), and including the employment of the necessary engineers, and for traveling expenses:	
Signal and train-control devices	182, 000

*Statement of Appropriations and Obligations for the Fiscal Year Ended June 30,
1945—Continued*

For all authorized expenditures under the provisions of the act of February 17, 1911, entitled "An Act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto" (45 U. S. C. 22), as amended by the act of March 4, 1915, extending "the same powers and duties with respect to all parts and appurtenances of the locomotive and tender" (45 U. S. C. 30), and amendment of June 7, 1924 (45 U. S. C. 27), providing for the appointment from time to time, by the Interstate Commerce Commission of not more than 15 inspectors in addition to the number authorized in the first paragraph of section 4, of the act of 1911 (45 U. S. C. 26), including such legal, technical, stenographic, and clerical help as the business of the offices of the director of locomotive inspection and his 2 assistants may require, and for traveling expenses:

Locomotive inspection.....	\$548, 000
To enable the Interstate Commerce Commission to carry out the objects of the act entitled "An Act to amend an Act entitled 'An Act to regulate commerce,' approved February 4, 1887, and all acts amendatory thereof, by providing for a valuation of the several classes of property of carriers subject thereto and securing information concerning their stocks, bonds, and other securities," approved March 1, 1913, as amended by the act of June 7, 1922 (49 U. S. C. 19a), and by the "Emergency Railroad Transportation Act 1935" (49 U. S. C. 19a), including traveling expenses:	
Valuation.....	\$500, 000
Transferred from "Regulating Accounts" "First Deficiency Appropriation Act 1945" Approved April 25, 1945.....	15, 000

515, 000

For all authorized expenditures necessary to enable the Interstate Commerce Commission to carry out the provisions of part II of the Interstate Commerce Act and section 5, part I of the Interstate Commerce Act insofar as applicable to common carriers subject to part II (Transportation Act of 1940) including one director at \$10,000 per annum and other personal services in the District of Columbia and elsewhere; traveling expenses; supplies; services and equipment; not to exceed \$1,000 for purchase and exchange of books, reports, newspapers, and periodicals; contract stenographic reporting services; maintenance, repair, and operation of motor-propelled passenger-carrying vehicles; not to exceed \$5,000 for the purchase of evidence in connection with investigations of apparent violations of said act, * * * provided, that joint-board members may use Government transportation requests when traveling in connection with their duties as joint-board members:

Motor-transport regulation.....	3, 250, 000
For all printing and binding for the Interstate Commerce Commission, including not to exceed \$17,000 to print and furnish to the States, at cost, blank annual report forms of common carriers, and the receipts from such sales shall be credited to this appropriation:	
Printing and binding.....	157, 700

Statement of Appropriations and Obligations for the Fiscal Year Ended June 30, 1945—Continued

Salaries and expenses, emergency: For necessary expenses, including traveling expenses, to enable the Interstate Commerce Commission, for the purpose of promoting the national security and defense, to adopt measures for preventing shortages of railroad equipment and congestion of traffic, and expediting the movement of cars by railroads through terminals, and related activities:	
National defense.....	\$338, 000
Total.....	9, 171, 700
Amounts obligated under appropriations for the fiscal year ended June 30, 1945:	
General.....	\$2, 889, 270. 64
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Locomotive inspection.....	537, 682. 23
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Printing and binding.....	157, 700. 00
National defense.....	277, 891. 80
Total.....	8, 508, 173. 94
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General.....	229, 729. 36
Accounts.....	98, 909. 95
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Locomotive inspection.....	10, 317. 77
Valuation.....	1, 768. 70
Motor-transport regulation.....	218, 842. 80
Printing and binding.....	
National defense.....	60, 108. 20
Total.....	663, 526. 06
Total.....	9, 171, 700. 00
Statement of receipts from fees paid during the fiscal year ended June 30, 1945, as required by section 313 of Public No. 212, Seventy-second Congress, (5 U. S. C. 104a):	
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